GOVERNMENT OF INDIA

REPORT

of the

Court of Enquiry

Constituted under the Trade Disputes Act, 1929, to investigate certain matters connected with staff retrenchments on Indian Railways

1932

[Published under the orders of the Governor General in Council]

CALCUTTA: GOVERNMENT OF INDIA
CENTRAL PUBLICATION BRANCH
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To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
LABOUR AND INDUSTRIES,
DELHI.

SIR,

In compliance with the Government of India's Notification No. L 1714, dated 13th August 1931, we have the honour to submit a report on the inquiry under the Trade Disputes Act, 1929, held by us in the matter of the staff retrenchments carried out on the 11 first class railways named in the Notification.

1. **Composition of Court.**—The Court has throughout been composed of the following members :—

The Honourable Mr. Justice STEPHEN JAMES MURPHY, I.C.S., *Chairman.*

Dr. SYED ROSS MASOOD, LL.D., B.A. (OXON.), Barrister-at-Law, Vice-Chancellor of the Aligarh University. } *Members.*

T. R. VENKATARAMA SASTRI, Esq., C.I.E., Ex-Advocate General, Madras. } *Members.*

2. **Terms of Reference.**—The terms of reference sent to us were the following :—

(1) whether the retrenchment has imposed improper conditions of work on the staff still employed ;

(2) whether the terms allowed to the staff that has been discharged are inadequate or unreasonable ;

(3) whether having in view the limitations imposed by the commercial management of railways the fullest regard has been paid, when discharging the staff, to the following alternatives : the stoppage of recruitment, the operation of normal wastage, working short time, the retirement of staff taking their gratuity and provident fund, or the transfer of individuals to other department or other railways on similar or even reduced rates of pay ;

(4) whether there has been victimization or favouritism in discharging establishments ; if so, whether this can be avoided and how ; and

(5) whether staff discharged on the ground of retrenchment can or should be given any assurance of re-engagement on recruitment being resumed.

3. **Railway Administrations referred to.**—The Railway Administrations referred to were the following ones :—

The North Western Railway,

The East Indian Railway,

The Great Indian Peninsula Railway,

The Eastern Bengal Railway,
The Bombay, Baroda and Central India Railway,
The Bengal Nagpur Railway,
The Assam Bengal Railway,
The Madras and Southern Mahratta Railway,
The South Indian Railway,
The Bengal and North Western Railway,
The Rohilkhand and Kumaon Railway.

4. The Court heard the cases of these 11 Administrations and their workers in Bombay, Madras, Calcutta and Lahore.

5. **General circumstances occasioning the reference.**—The general circumstances leading up to the retrenchment and giving occasion for the appointment of the Court of Inquiry may be summarized as follows :—

6. There was a progressive fall in the total of gross receipts on all first class railways, beginning towards the end of 1929. When the budget demands for 1931-32 came to be scrutinized, the Railway Board decided that an all-round reduction amounting to 5½ crores was necessary. This decision entailed fresh consideration by the different Railway Administrations of their proposed expenditure, and a search for means of economy to keep expenditure within the limits of the reduced grants.

7. **Principles of Retrenchment.**—Speaking generally the proposed economies took the form of all possible reductions in the use of material and stores, and an examination of the possibility of operating each railway with a reduced staff. The result of the second step was a number of discharges and demotions, which were made generally from March to the 7th July 1931, though actually some of the administrations had already begun to retrench in this way in the latter part of 1930. The actual retrenchments of staff took place after consultations between the Railway Agents and the Railway Board in February and March, and final orders as to the course which discharges should take were issued by the Railway Board in their letters Nos. 683-E. G., dated the 3rd and 6th March 1931, respectively.

8. The decision as to the departments to be retrenched was left to the Agents, the letter of instructions to them being in the following terms :—

"The main principle in selecting individuals for discharge should be to discharge men in the following order :—

(*a*) Those who are inefficient ;

(*b*) Those who are least efficient ;

(*c*) Those who have short service, among them permanent men should ordinarily be retained in preference to temporary employees, but men who hold temporary appointments but who have completed 12 months' continuous service should be regarded as having equal rights with permanent employees.

(*d*) Those who are nearing the age of superannuation ."

9. With a view to eliminating all avoidable hardships the Railway Board desired :—

(1) " ..... that an employee who is retained in a lower post will rank in seniority above men holding similar posts drawing the same rate of substantive pay as that allowed to him on reversion and will, subject to continued efficiency, be considered when a suitable opportunity offers for promotion to the class or grade in which he was formerly employed."

(2) " That the employees discharged from the services on reduction of establishment should be granted all leave on full or average pay at their credit subject to a maximum of four months....."

10. The Railway Board laid down the following principles for workshop staff reductions :—

" Individuals should be selected for discharge in the following order :—

(*a*) Those who are inefficient ;

(*b*) Those who are least efficient ;

(*c*) Those who have short service, among them permanent men should ordinarily be retained in preference to temporary employees ;

(*d*) Those who are nearing the age of superannuation.

11. Those principles should be applied separately for each distinct category in order that the strength of each category shall not be in excess of actual retrenchments."

12. **Totals of discharges and demotions carried out.**—The total staff employed by the 11 first class railways, the subject of this inquiry, on the 31st March 1930, had been 7,28,821 and on 31st March 1931 was 6,90,277. Of the latter figure 40,502 were discharged. Of the discharged men, 32,655 were permanent employees, and 7,847 temporary. Another 4,392 were demoted.

13. By this last term is meant the abolition of posts in higher grades and the reduction of the most junior of each grade, to the extent of the abolition, to the grade next below, the abolished posts taking effect in the basic grade by the discharge of the most junior in that grade.

14. The total figures may be tabulated as follows :—

Total number of employees.		Number of employees discharged.		Number of employees demoted.
On 31st March 1930.	On 31st March 1931.	Permanent.	Temporary.	
7,28,821	6,90,277	32,655	7,847	4,392
		40,502		

15. **Negotiations between the Parties.**—Meanwhile, in February 1931, the All-India Railwaymen's Federation had addressed the Railway Board saying that they understood that a retrenchment of staff was contemplated, and asked that it should not be carried out without prior consultation with them. There had been a meeting of the Federation at Ajmer on 15th March 1931 when it was resolved that the Railway Board should be requested to suspend or cancel all retrenchment measures against the staff pending a proper inquiry into the whole question of the necessity, extent, nature and desirability of various retrenchment measures. This request was refused by the Railway Board. On this, in an application addressed to the Government of India, dated the 30th April 1931, the All-India Railwaymen's Federation applied for a reference to a Board of Conciliation of the matters in dispute between the different Railway Administrations and their workers. Further correspondence between the Federation and the Government of India followed, and there was a meeting between the Federation and the Railway Board and a second meeting with the Agents in this connection.

16. **Decision to stop Retrenchment.**—As a result of these meetings the Railway Board issued a communiqué, dated 7th July 1931 intimating its decision to the following effect :—

The Railway Board decided :—

"(1) In respect of staff, other than staff engaged for purely temporary purposes whose services must necessarily terminate on the completion of the work for which they were employed, and the workshop employees, all Railways should suspend with immediate effect the discharge of employees except those already under notice of discharge. These orders will remain in force until the end of October next. The position will then be brought under review in consultation with the Agents of Railways and the Federation will be afforded an opportunity of placing their views before the Railway Board before any further staff is discharged on State-managed railways.

(2) With regard to workshop employees on the State-managed railways, the Railway Board have also decided that the Agent should suspend further discharges with the exception of those employees who are already under notice of discharge until the end of October next: while with regard to workshop employees on company-managed railways the Board will invite the Agents to adopt a similar course with two exceptions, *viz.*, that the Madras and Southern Mahratta and South Indian Railways will be free to carry out the arrangements already in train for the reduction of about 300 and 800 employees respectively."

17. The retrenchment with which we are mainly concerned took place in the interval between the issue of the orders to retrench staff on the 3rd March and the suspension of all further retrenchment until October 1931, ordered on the 7th July though there have been a few cases of discharge subsequent to that date on some of the administrations.

18. **Appointment of the Court of Inquiry.**—After some correspondence with the Federation the Government of India decided to appoint a Court of Inquiry instead of the Board of Conciliation asked for by the Federation, and

this decision was communicated to the President of the All-India Railwaymen's Federation in the Government of India's letter No. L.-1714, dated the 18th July 1931 in the following terms :—

> " In the circumstances the Government of India are of opinion that the facts in dispute between the Railway Board and the Railway Administrations on the one side, and the All-India Railwaymen's Federation as representing the Unions and the railway workers on the other side, should be immediately investigated by an impartial tribunal by means of whose findings the public in general and Government in particular may be placed in possession of the fullest information on this trade dispute. The Governor General in Council has, therefore, decided under section 3 of the Trade Disputes Act to appoint a Court of Inquiry to investigate the dispute that has arisen ....."

19. The Court was appointed on the 13th August 1931 after some further correspondence between the Government of India and the Federation on the two issues : (1) whether the inquiry should be by a Board of Conciliation or a Court of Inquiry, and (2) whether the terms of reference to the latter should not be widened so as to include certain points which were being insisted on by the Federation.

20. **First sittings and Procedure.**—The members of the Court assembled at the Secretariat, Bombay, on the 1st September 1931 when some preliminary points were settled and the necessary notices were issued to the registered unions and workers of two Railway Administrations namely, the Great Indian Peninsula Railway and the Bombay, Baroda and Central India Railway who have their Headquarters in Bombay. The Court held its first public sittings on the 9th of September 1931.

21. The Railways were represented by :—

Great Indian Peninsula.—Sir Jamshedji B. Kanga, Advocate General, Major Wagstaff, R.E., and Mr. J. Scott, Deputy Agent.

Bombay, Baroda and Central India.—Sir Jamshedji B. Kanga, Advocate General, Major Wagstaff, R.E., and Mr. B. C. Covell, Deputy Agent ;

and the All-India Railwaymen's Federation was represented by :—

(1) Mr. Jamnadas Mehta, Barrister-at-Law, President, All-India Railwaymen's Federation ;

(2) Mr. S. Joshi, Advocate.

(3) Mr. V. V. Giri, Barrister-at-Law, General Secretary, All-India Railwaymen's Federation.

22. The hearings were continued in Bombay from day to day till the 9th October 1931. Thereafter, the Court visited Madras, Calcutta and Lahore at which places it also held sittings.

23. In Bombay witnesses were examined for the two Administrations and the Federation, and the workers not otherwise represented were heard individually.

24. **Complaint regarding Notice of hearing.**—On the first day of the sittings before the proceedings began, Mr. Jamnadas Mehta made a complaint of the method adopted by the Court in giving notice to employees generally, of the time and place at which the inquiry would be held. He said that in giving notice, not only to the Federation, but also to individual workers, by the posting of notices at important railway stations, workshops and in certain newspapers the Court had injured the position of the Federation among the workers. This complaint necessitates an examination of the correct procedure under the Act.

25. **Correct procedure for service of Notice of hearing.**—Such an examination is also necessary because, though the Railway Board was at one stage invited by the Railwaymen's Federation to join it in a request to the Governor General in Council for a Court of Inquiry and was willing to join in the request on certain terms, and though the case for the administrations was prepared and printed as if the Railway Board intended to take the responsibility of a party, it was stated to us at the hearing that not the Railway Board, but the separate administrations must be taken to be the parties, and that the printed case was a common one for which they should all be deemed to be individually and collectively responsible.

26. The reference to the Court is by the Governor General in Council. Such a reference may be made even without an application by a party. The case therefore falls under the main part of section 3 of the Trade Disputes Act, 1929, and not under the proviso, because it is not a case where both parties have applied for a reference to a Court. Under Rule 5 (*b*) of the Rules made under the Act by the Governor General in Council, an application must be signed on behalf of the employees by two members of a registered union to which they belong or, where they do not all belong to a trade union, by ten employees, and in both cases the signatories must be persons authorised by a majority of the employees. As no joint application was made for the reference in the present case, this provision is not of great importance, but it makes it clear that where the employees involved are not all members of a registered trade union, the registered union or its members alone cannot represent the non-unionists, or at any rate cannot claim to represent them against their wishes. The rule as to notice to be given to employees for the nomination of their representative to a Board of Conciliation contains a similar indication. The Court is bound to give notice to all the employees and cannot stop short with notice to the Federation. We do not see how the Federation can be affected by a public notice to all, and even if it is affected, this is due to the fact that all the employees are not members of the federated Unions. It is even a question whether the Railwaymen's Federation is a registered union, or not, within the rule. Though the Railwaymen's Federation has been recognised by the Railway Board, which itself represents the separate railway administrations, or their interests at the annual meetings they hold, and may therefore deserve to obtain recognition for the rule as to signatories to an application, yet it is doubtful whether the rule, as it now stands, gives that status to the Federation.

27. **Ruling on Objections.**—Similarly in the cases of the Administrations, Rule 3 makes the Agent or the Manager, the employer for the purposes of the Act. If the dispute is between one Administration and its employees undoubtedly the Agent is alone the "employer". If it is between all the Administrations and their workers making common cause, the Act and Rule 3

contemplate as many disputes as there are administrative groups of workers and Agents. The Notification, therefore, correctly describes the dispute here, from this point of view, as one between the different railway administrations and their respective workmen. Whether it would be useful, or is necessary to empower the Railway Board to act in such a case for all, or for some of the Railway Administrations is for the Government of India to consider. But even without such an empowering rule there is nothing to prevent the Railway Board from acting for all the administrations or preparing their common case. In fact the only body which has the necessary equipment for undertaking such a task is the Railway Board.

28. **Right to Begin.**—Another preliminary point that was raised was as to which party had the right to begin. Mr. Jamnadas Mehta claimed it for the Federation, presumably for the advantage of making a first impression and having the last word. He based his claim on the fact that he was, in the position of the complainant and must therefore be allowed to state his case first. The Rules contain nothing on the point except Rule 14 which provides that: " at the first sitting of the Court, the Chairman shall call upon the parties in such order as he may think fit to state their cases." We thought it on the whole convenient first to hear the Advocate General on the case of the Railway Administrations as a whole, and then Mr. Jamnadas Mehta on that of the Federation. We gave Mr. Jamnadas Mehta the assurance that he would be given a full hearing at all stages.

29. **Ruling on the Right to Begin.**—The Advocate General accordingly opened the general case for all the Administrations, and we then heard Mr. Jamnadas Mehta on certain points which he wished to raise, as being within the spirit of the reference to the Court, and gave our rulings on them, and to these rulings we shall presently refer. It is here necessary to complete the account of the procedure we followed. Mr. Jamnadas Mehta was allowed to lead his evidence first as claimed by him, but our later experience showed that it would have been more convenient had the Administrations first led their evidence, to be followed by that of the Federation. Lastly we heard the individual complaints. This latter procedure we have subsequently generally followed in Madras, Calcutta and Lahore. At Bombay we kept the procedure flexible hearing the Administrations and individual witnesses as and when they were ready.

30. **Preliminary Objections by Federation.**—We must next turn to the preliminary points on which Mr. Jamnadas Mehta desired rulings. He said he had been asked to obtain rulings on those points in order to enable the Federation to decide whether it was worth its while to join in the proceedings and to assist the Court in the inquiry, or not.

31. With much of Mr. Jamnadas Mehta's criticism as being a preface to his points, and by way of complaint against the Railway Board for not receiving a deputation in February 1931 ; and against Government for having delayed the appointment of the Court, we have no concern. Nor is the correspondence between the Railwaymen's Federation and the Government of India apposite, except in so far as it furnishes matter relevant to this inquiry. The Advocate General and Mr. Mehta agreed that this correspondence was admissible to interpret the terms of reference, but differed as to its effect on the dispute. The Advocate General used it to support his main point, that questions of

policy were not matters for the decision of the Court. Mr. Jamnadas contended that having regard to the matters referred to in that correspondence, the terms could, if liberally interpreted, be made to cover his points, and he criticised the view that because the Government of India could not share responsibility with any other party for their final decision, they could not have relevant matters considered by a Court of Inquiry. Without going into the question of what are matters of policy and what are not, and whether matters of policy could or could not be referred to the Court, we are of opinion that the powers of the Court can only be derived from the reference and must be limited by its terms. We have therefore considered only such facts and contentions as could be shown to be included in, or relevant to, the points referred to us.

32. **Preliminary points stated.**—The other points that Mr. Jamnadas Mehta desired us to consider, are set out in paragraph 15 of the statement presented to the Court on the 10th of September and were as follows :—

(1) Whether the conventions about hours of work and weekly rests should not have been put into force before retrenchment began ?

(2) Whether contribution to the Railway Provident Funds could not have been diverted temporarily to prevent retrenchment.

(3) A wage cut in all its aspects.

(4) Stoppage of extravagance.

(5) Capricious and arbitrary use of the powers vested in the Railway Board including discrimination of all kinds.

33. **Findings on 2nd and 4th points.**—The second and the fourth of these points are clearly outside the terms of the reference.

34. **Findings on 1st point.**—The first may have some bearing on the first term of the reference in the following way. If it is shown that the conditions of work have become improper by an increase of the hours of work, the propriety or otherwise of that increase may have to be judged with reference to some standard, and it may be that the conventions accepted by the Government of India and partially put into practice by some Railway Administrations would furnish a basis for a judgment as to the proper standard.

35. **Finding on 5th point.**—The fifth point is obviously included in the fourth term of reference as to victimisation, and favouritism. On the third point Mr. Jamnadas Mehta urged that a uniform wage cut, or a graduated one, must be treated as open in the spirit of the correspondence, and particularly in view of the letter of the Government of India, dated 13th July 1931.

36. However reasonable the suggestion of a wage cut may be,—and having regard to the proposals that have since been made by the Retrenchment Committees all over India, we cannot say it is unreasonable,—we decided that it was not open to this Court to consider such a proposal, firstly, because none of the five points referred to us can be made to cover it, and again because it is expressly excluded by the correspondence with the Government on which Mr. Jamnadas relies. The Federation's application to the Governor General in Council for the appointment of a Board of Conciliation ended with the words that " a Board be appointed. . . . to consider the desirability of distributing

the burden equitably and proportionately on all without compulsorily discharging any of the employees on the ground of retrenchment." But the Government omitted that point from the terms of reference to the Court. In their letter of the 27th of July 1931 the Federation desired among other things to have included at least one other term of reference, namely :—

> " whether the methods adopted by the Railway department and the Railway Administrations are the best, or whether there are better alternatives ; if so, what ? "

37. The Government of India in their letter of 8th of August 1931 refused to include such a term of reference.

38. **Finding on 3rd point.**—We did not therefore consider it possible to accept the contention of a wage cut in all its aspects, as a substitute for the discharge of hands. But a wage cut in the sense of a reduction in salary by reducing the work of an individual by adopting short time, so as to distribute what work there was among the remaining employees, we held relevant under the third term of reference.

39. Mr. Jamnadas Mehta's definition of short time is :—

> " Short time working whether by a day or more every week or month respectively or whether by compulsory leave without pay by rotation or by disallowing overtime in some cases so as to stop the discharging of others or by a stoppage of discharges altogether resulting in general short time all round under term No. 3."

40. The expedients for spreading work so as not to discharge hands are stated in the Monthly Labour Review (U. S. A.) to be the following :—

(*a*) Reduction of overtime.

(*b*) Use of staggered vacations, or leaves of absence.

(*c*) Rotation of days off.

(*d*) Use of shorter shifts.

(*e*) Rotation of shifts or individuals on the same job.

41. The principle is further explained in the following words :—

> " The first rule of procedure is that of fairness. When part-time operations are supplied the aim is to distribute the work as evenly as possible among all employees. The extent of distribution depends partly upon whether the resultant earnings are consistent with reasonable standards of living. Half time work usually is its lower limit. Efficiency on the job and the economic needs of individuals are to be considered."

> " To reduce hourly wages or common rates for the purposes of further economies than may be gained by the spreading of work is to endanger employees' morale. It has been found that when work has been divided without wage cuts, employees understand that their best interests are being served and co-operate cheerfully. To promote morale it is well to inform all employees who are to be retained that they need not worry about their jobs."

42. In the short time wage cut, the wage rate per day or hour is maintained and the total wage of each individual is reduced by a reduction in the number of days or hours of work allotted to each, so as to provide work for all the workers and to retain them in service. Whether short time is capable of application all round, or whether it is susceptible of only a limited application in the case of Railways, was considered in due course.

CHAPTER II.

General observations on the retrenchment.

43. Speaking generally this block retrenchment was one of the engineering and workshop staff. The former was largely entailed by the curtailment of all existing betterment schemes and new works, and the latter by the decrease in traffic, resulting in less work in the mechanical departments, for repairs, overhauls and renewals.

44. The engineering retrenchment was also in part due to the extension of gangmen's beats, which was found to be feasible, as well as to reductions in the numbers of members of the gangs.

45. In the case of the workshops it appears that the shops had, in some cases unknown to themselves, and in others knowingly but in the hope that the staff would reduce itself in time by natural wastage, been carrying a surplus staff thus avoiding a heavy discharge of men. A part of the surplus, we have been informed, was also due in some shops to the introduction of improved methods of work and, to a smaller extent to the arrival of modern machinery. There had in fact been several cases of heavy discharges of staff in workshops in 1928-30, notably at Kharagpur on the Bengal Nagpur Railway, Lillooah on the East Indian Railway, Golden Rock on the South Indian Railway, and at Parel in Bombay and Ajmer on the Bombay, Baroda and Central India Railway.

46. The evidence given before us however is to the effect that surplus staff still existed in the shops, and the need further to reduce it was precipitated by the unexpected diminution in the volume of work to be carried out.

47. The number of men discharged in the workshops was about 15,000, of whom about 4,000 were in temporary employment only.

Retrenchment on the different Railway Administrations.

SECTION I.—THE GREAT INDIAN PENINSULA RAILWAY.

48. **Description of Railway and its organisation.**—The Great Indian Peninsula Railway is State-owned and operated and is organised on the divisional system, and the retrenchment of staff has been carried out as far as possible on a divisional basis.

49. **Total staff from 1928 to 1931.**—On the 31st March 1928 the total number of men employed had been 1,22,905 and this figure was reduced to 1,16,531 on the 31st March 1929 and to 1,12,685 on the 31st March 1930. On the 31st March 1931 there had been a further reduction to 96,115.

50. **Gross earnings, 1928 to 1931.**—This Railway's gross earnings for the year 1928-29 were Rs. 15,91,92,893; for 1929-30 Rs. 15,00,71,456 and for 1930-31 Rs. 13,59,21,077, thus showing a progressive fall in revenue.

51. **Mileages, 1930 and 1931.**—The corresponding train mileages for 1929-30 were 13,572,077 and for 1930-31 13,181,553 miles.

52. The retrenchment by this Administration had already commenced in April 1930, in the Transportation department, and in August 1930 in the Engineering department. In the Mechanical department it began from February 1931.

53. At the time of the last budget the Railway Board asked the Agent to make a reduction in the expenditure of 10 per cent., which amounted to a total cut of 89·74 lakhs. The expenditure on staff since 1924-25 had averaged 62·77 per cent. of the total, and the corresponding reduction in the total expenditure on staff then had amounted to 56·33 lakhs. The estimated saving on staff in 1931-32 which the Administration had expected was 37 lakhs, and the estimate was based on the economies already effected which were expected to be 98·63 lakhs. Had the Administration continued to retrench at the end of 1931 to the same extent as they had done during the first four months of the year, they would have secured a total saving of 98 lakhs, instead of the 89 lakhs required of them by the Railway Board. The saving of staff retrenchment for 1931 was 37·5 per cent. of the total saving as against the 62·77 per cent., which was the staff percentage costs for the previous year. In this way out of 98 lakhs to be saved, 38 lakhs were on the expenditure on staff. Out of the total number of the staff on 31st March 1930 which was 1,12,685, about 8,000 of the men reduced were temporary, having been employed on the relaying operations which had been undertaken on this line, and whose services had been dispensed with on the completion or stoppage of that work, and a further reduction of about 3,000 represents unfilled vacancies, due to ordinary wastage by death and retirement. Up to April 1931, 5,500 men had been retrenched and a further 3,300 men were retrenched in that month, leaving the present staff of 91,215. Of the 8,739 men discharged in all, 5,956 were of those permanently employed, and 2,783 were in temporary appointments.

54. The departmental discharges were as follows :—

	Permanent.	Temporary.
Engineering	2,502	1,750
Transportation	2,352	29
Commercial	337	19
Mechanical—Matunga Electric	626	554
Matunga shops	792	263
Parel shops	545	154
Jhansi shops	1,468	13
Medical	71	70
Stores	45	10

55. **Non-workshop Staff retrenched. Length of service.**—Of the men retrenched in the non-workshop staff 95 were temporary, 954 had less than one year's service, 1,720 had less than three years' service, 389 had less than ten years' service and 72 had more than ten years' service.

56. **Workshop Staff retrenched. Length of service.**—Among the workshop men retrenched 2,683 were temporary, 217 had less than one year's service, 675 less than three years' service, 1,673 less than ten years' service and 266 had more than ten years' service. The figures from the point of view of salary show that of the men retrenched 3 were on salaries of over Rs. 250, 1,976 drew salaries ranging from Rs. 30 to Rs. 249 and the remainder had salaries below Rs. 30.

57. Of the total number retrenched 5,519 were workshop staff, of whom 1,468 were from Jhansi, which seems to have had a very large surplus staff in this department. In the Locomotive department 900 were surplus at Jhansi and to equalize matters 450 were retrenched there and 450 were transferred to Parel, a corresponding number being discharged from the Parel shops. The Carriage and Waggon shops were also retrenched at Jhansi and Matunga to the extent of 1,200 men in all. The balance of the workshop retrenchment (1,869) was in the engineering department workshops.

58. This accounts for more than half of the discharges. A further retrenchment of 2,134 took place in the " other employees " branch of the Transportation department ; and the remaining discharges were " other employees ", 633 in the engineering branch, 337 commercial, 71 medical and 45 stores.

59. Of the demotions the largest number (931) was among the " other employees " of the transportation department, that is, running staff of whom 1,103 were demoted.

60. Speaking generally therefore the bulk of the retrenchment took place in the workshops and from the running staff.

61. All staff retrenchment stopped after receipt of the Railway Board's telegram of 8th July 1931.

62. **Grades of Retrenchment.**—The two main principles laid down to govern the discharge of staff on retrenchment were—

(*a*) discharge should generally be limited to employees of not more than 5 years' service, and

(*b*) it should take place in basic grades, that is, in grades in which recruitment of each particular category of staff normally takes place.

63. In the higher as well as in the lower grades an additional factor producing a similar result had been a decision to convert certain " A " grade posts into " B " grade posts, and " B " grade posts into " C " grade posts. Generally speaking, men in the higher grades were employees of longer service who should not be discharged, but since surplus staff existed in those grades and the establishment had to be reduced, some action became necessary.

64. Instead of effecting the discharge of the surplus in the higher grades, it was decided to demote the most junior men in the grades affected to the grades from which they were last promoted, and then in turn to demote, the excess junior men of the grade below to the next lower rank and so on until finally, the basic grade was reached, and those of the staff in these grades who had less than 5 years' service were discharged to the extent of the existing surplus.

65. With this statement may be compared this Administration's answers to the questionnaire where it is stated that the principles laid down by the Railway Board have been observed except in three particulars—(*a*) discharge of the least efficient, (*b*) the rule as to taking 12 months' continuous service as conferring equal rights with permanent employees and (*c*) those nearing superannuation.

66. **Inefficiency. No superannuation. Voluntary Resignations.**—Only 29 men were discharged for inefficiency. None of these was of 10 years' service or more. The rule adopted was to deal with inefficiency and men of short service in the first instance. Short service was defined as service of 5 years or under. No action was taken against employees nearing the age of superannuation because it was thought that by operating on inefficiency and short service, this Railway would be able to secure the retrenchment required, with the least hardship to the staff in general. There were no voluntary resignations on this railway.

67. **Federation's Criticism.**—It was urged on behalf of the Federation that the temporary staff included a large number of men who were on construction work, many of whom had been employed for several years without a break, thus having longer service than some of the permanent men, and that these long service temporary men should be treated on the same lines as permanent men retrenched and should be held entitled to the same compensation as that granted to these last.

68. It was also argued on behalf of the Federation that if the Geneva and Washington Conventions as to hours of work and weekly rests had been brought into full effect by this administration, it would not have been necessary to retrench any staff at all, as the surplus men could have been absorbed in the additional posts so created. The Federation also made a point of the fact that a definite leave reserve had not been maintained and that thus further hardship had been caused to the remaining staff. The Federation also considered that the terms allowed to the staff discharged were inadequate and that they should have been more liberal than those offered on the occasion of the previous block retrenchments as the prospect of obtaining employment elsewhere by the discharged men was a remote possibility in the present circumstances.

SECTION II.—THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

69. **Description of Railway and its organisation.**—The Bombay, Baroda and Central India Railway is a State-owned, but company-managed railway.

70. **Total staff, 1928 to 1931.**—On the 31st March 1928 the total number of men employed had been 74,405. This figure was reduced to 72,628 on 31st March 1929 but on the 31st March 1930 the number had increased to 75,095 and on the 31st March 1931 it had again fallen to 73,500.

71. **Gross earnings, 1928 to 1931.**—This Administration's gross earnings showed a steady decrease from Rs. 12,86,00,000 for the year 1928-29 to Rs. 12,60,00,000 in 1929-30 and a further fall to Rs. 11,71,00,000 in 1930-31.

72. **Mileages, 1930-1931.**—The train mileage for 1929-30 was 17,009,400, and for the year 1930-31 had increased to 17,136,000 miles.

73. **Origin of Retrenchment.**—Economies began to be made on this line about the beginning of February 1931, from which date the administration had been notified by the Railway Board that a cut of 10 per cent. would be made in the grant for expenditure during the year 1931-32. The expenditure in 1930-31 was 622 lakhs. The grant for 1931-32, 603 lakhs. The actual cut was therefore 59 lakhs.

74. **Nature of Retrenchment.**—Retrenchment of staff was one of the means adopted to bring about the required reduction in expenditure. On the metre gauge system it commenced in March 1931 and on the broad gauge in April 1931 and it was stopped under the Railway Board's orders in July 1931. In all 2,194 men were discharged, of whom 264 were temporary workers.

75. **Temporary and Permanent hands.**—The temporary men were discharged before the permanent ones, because it was thought that it would not be fair to discharge the permanent men, while retaining the temporary ones. All temporary men were discharged before the permanent men irrespective of their length of service.

Of those discharged 882 were workshop employees, and of these 119 were temporary men, 1,308 men were retrenched from the non-workshop staff of whom 196 were temporary hands.

76. **Numbers according to length of service.**—Of the staff discharged 112 had less than one year's service, 365 had more than one but less than 3 years' service, and 666 had more than 3 but less than 10 years' service, and 432 men had over 10 years' service. The number of men who had more than 10 years' service and were discharged would have been less, but for the fact that some of them asked to be allowed to go.

77. The retrenchment figures do not represent the total reduction in staff. Savings have also been effected by :

(1) Placing men on temporary leave,

(2) Not filling posts when vacancies occurred, and

(3) Holding certain posts in abeyance.

78. The discharges in the shops were partly due to increased efficiency secured by the installation of more up-to-date machinery and to improved schedules and methods of work.

79. **Principles of Retrenchment.**—The surplus staff was discharged in the following order :—

(*i*) Inefficients,

(*ii*) Least efficients,

(*iii*) Most junior,

(*iv*) Superannuated.

Demotion.—In cases of demotion the man junior in pay was laddered down, and the man senior in pay took his place. Seniority in service was not considered.

80. **Fresh Recruitment.**—Fresh recruitment on this line was never stopped altogether, because in some categories special men were required and had to be recruited when vacancies occurred, though in the workshops all ordinary recruitment had been stopped for 3 or 4 years. There was no fresh recruitment in any category in which retrenchment took place.

81. **Federation's Criticism.**—The Federation's criticism of the retrenchment on this railway was a general one, to the effect that there was no need for retrenchment even in view of the decreased earnings and mileages, and the fact that the staff had been increased in 1929 ; also as to the proportion of staff costs and working expenses and the amount intended to be saved out of staff.

82. Further criticism was directed to the reduction of relieving staff in some cases, and to the manner in which the Railway Board's principles of discharge had been interpreted and applied. The Railway witnesses were also cross-examined as to the number of signalmen reduced at Parel and of porters attending to the station indicators at Mahim, and the new arrangements in the Bandra marshalling yard. We have discussed the first two of these matters in another paragraph.

SECTION III.—THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

83. **Description of Railway and its organisation.**—This is a State-owned and company-managed railway and administratively is divided into 6 departments, each controlled by an officer with delegated powers, who has in turn power to delegate some of his functions to district officers.

The Departments are :—

(1) Engineering,
(2) Electrical,
(3) Transportation,
(4) Stores,
(5) Medical, and
(6) Audit.

84. **Total staff.**—Including officers (107), the total staff was 53,915 on the 31st March 1930 and 53,096 on 31st March 1931.

85. **Gross earnings.**—The gross earnings were—

	Rs.
1929-30	9,28,43,457
1930-31	8,23,54,349

86. **Mileages, 1930-1931.**—The mileages were—

1929-30	14,641,986
1930-31	14,198,675

87. **Origin of Retrenchment.**—The origin of retrenchment was a cut of 52 lakhs made by the Railway Board in the budget and most of it was carried out in the workshops, where some cutting down was inevitable, apart from financial stringency, owing to the installation of new and better equipment resulting in more economical working of the shops at Perambur, which we had an opportunity of visiting. The staff of the workshops had last been retrenched in 1927-28, but not to a great extent.

88. In the first place, after recourse to the expedient of not filling vacancies as they occurred, when possible, this administration offered special terms for voluntary retirement and so obtained a certain number of further vacancies, and for discharges the Railway Board's instructions were followed generally, each shop being taken as a unit, regard being had to the different categories, or classes of workmen such as fitters, blacksmiths and so on, in order to preserve the balance of the different departments. 232 of those who were discharged were regarded as inefficient, or as less efficient than the average worker and only 2 men were demoted. As a further means of retrenchment short time working was also enforced at the 2 workshops, of which that at Perambur is a Loco. and Carriage and Wagon shop, and the one at Arkonam for the needs of the engineering department. The expedient of compulsory leave was not adopted. The normal wastage is given as 5 per cent. per annum, though no actual figures have been worked out.

89. In the cases of temporary men the Railway Board's advice to treat those who had 1 year's service or more, as being on the same footing as permanent men was not accepted—and all men were treated on the footing of the terms of their engagements, those taken on for a specific work being discharged when that work ended, and those employed in the filling of ordinary vacancies being dispensed with on the need of their services ceasing, irrespective of length of service.

90. When the staff retrenchment measures were undertaken in April 1931 the 2 workshops employed about 12,060 men between them.

91. Special terms were offered to those willing to resign and these were accepted by 261 men in the mechanical workshops and 87 in the engineering workshops. On the terms for resignations being extended in some particulars 367 more men resigned at Perambur and 5 at Arkonam.

92. 109 men were next discharged at Perambur and 168 at Arkonam, with 35 from the electrical workshops.

93. The totals therefore are 720 voluntary resignations and 312 discharges. The discharges are only 2·6 per cent. of the workshop staff.

94. Apart from the workshop staff there were 3 resignations and 92 discharges. Of the grounds for selecting those to be discharged 15 were for inefficiency in the audit department, 64 in the mechanical department and 153 less efficients in the engineering department, making 232 in all; of the remainder, out of 80, 25 were discharged " as nearing the age of superannuation ", though the services of 7 superannuated men had been extended.

95. **Classification of Discharges.**—Of the workshop staff retrenched, 188 were temporary, 2 had less than 3 years' service, 233 had over 3 but under 10 years' service, 639 had over 10 years' service. One man was demoted. The total of discharged was 1,032.

96. Of the non-workshop staff retrenched, 76 men were temporary, 6 had less than one year's service, 7 had served for more than one but less than 3 years, 4 had served for over 3 but less than 10 years. One man had over 10 years' service. One man was demoted.

97. Regarding other departments, 49 temporary clerks were reduced in the audit department and 5 menials of whom 2 were permanent men, one man in the stores department, 11 temporary men in the electrical department, and 18 temporary men in the medical department.

98. Apart from the general argument as to the lack of necessity for retrenchment at all, in view of this railway's earnings, the effect of normal wastage and the need for introducing the Geneva and Washington Conventions, the Federation's case was that if certain work which had once been done at the shops had continued to be done, there would have been no surplus staff. Such work included the manufacture of locks, side and connecting rods, boilers and the erecting of new locomotives which now arrive ready for the road instead of dismantled as formerly.

99. These are all highly technical questions on which we are not fitted to give an opinion, but the administration's evidence was against the Federation's witnesses, and it is in any case obvious that the continued practice suggested could have afforded very little additional work for the hands discharged.

100. The Federation also led evidence on the question of adequate leave for the staff, but the complaints under this head appear to us to be groundless. We also examined witnesses in respect of their own cases of discharge, the larger number being for inefficiency, or less efficiency and though some of the witnesses have made allegations of improper motives inspiring the officials to discharge them the reasons given were not convincing. It seems to us that none of them were hard cases and that the discharges were all justified on the grounds stated to us by the administration.

SECTION IV.—THE SOUTH INDIAN RAILWAY.

101. **Description of Railway and its organisation.**—The South Indian Railway is a State-owned and company-managed line, organised in 7 major and 2 minor departments, with its headquarters at Trichinopoly, and its workshops at Golden Rock near that town.

102. A retrenchment of between 3,000 and 4,000 men, all workshop hands, was carried out in 1928, on a transfer of the works to Golden Rock, and this fact probably explains the comparatively small amount of retrenchment carried out in that department on the present occasion.

103. **Total Staff, 1928 to 1931.**—The number of men employed by this system as a whole has been—

in 1928	34,044
in 1929	34,343
in 1930	36,976
in 1931	37,590

as on the 31st March in each of these years. There were 115 officers in 1930 and 131 in 1931.

104. **Gross earnings, 1929 to 1931.**—The gross earnings were—

	Rs.
in 1928-29	6,24,63,000
in 1929-30	6,67,42,000
in 1930-31	6,12,36,000

105. **Origin of Retrenchment.**—The Railway Board's order required that 37 lakhs should be saved, and the retrenchment by way of discharges began on the 1st April 1931. The discharges numbered 1,458 in all, and of these 355 were permanent employees and the balance temporary workers. 10 men were discharged as being inefficient, and 113 were demoted, or reduced to lower scales of pay.

106. **Numbers according to length of service.**—Of the workshop staff 58 were temporary and 2 had more than 10 years' service. Of the non-workshop staff 545 were temporary, and 322 had less than 1 year's service, 276 had more than 1 but less than 3 years' service : 189 had more than 3 but less than 10 years' service and 66 had more than 10 years' service.

107. **According to Salaries.**—According to scales of pay of the workshop employees, 2 were drawing between Rs. 100 and Rs. 250, and of the others 21 were on Rs. 100 and over but on less than Rs. 250, 453 were on pay over Rs. 30 and under Rs. 100 : and 924 were on pay of less than Rs. 30. Of the whole 545 were temporary men.

108. A third measure of economy adopted was working short time at Golden Rock and in the stores department, this reduction yielding a saving of approximately 25 per cent.

109. The actual discharges were :—

(1) workshop staff—58 temporary and 2 permanent ;

(2) other staff—545 temporary and 853 permanent.

Of the other staff, 723 of whom 107 were temporary and 616 permanent, were from among the permanent way gangs of the engineering department's workmen and the bulk were men drawing Rs. 30 or less.

110. The remaining retrenchments were in the commercial and audit departments, the former of which retrenched 113 ticket examiners employed in the crew system, and 86 probationers, and the latter 187 temporary clerks employed for revision of fares and discharged on the completion of that work.

111. From the aspect of length of service of those discharged from the permanent staff 322 had less than 2 years' service, 276 less than 3 years' service, 189 more than 3 but less than 10 years' service and 66 over 10 years' service. The administration states that normal wastage has been used to the fullest extent and all possible inter-departmental transfers have been effected.

112. The normal wastage on this system by death, retirement, discharge, dismissal and resignation has been in the last 3 years :—

1928	1,693
1929	2,409
1930	3,062

113. No recourse was had to obtaining discharges by inducements voluntarily to resign, though 34 men did do so, and the inefficiency tests were hardly applied ; for only 10 men were discharged on this ground, 9 men were discharged as being superannuated, and 120 extensions were granted, the reason given being that this was done to postpone payments of provident fund and gratuity to a more favourable time.

114. As against the discharges 3 subordinates, and 206 menials on low rates of pay have been appointed since the retrenchment began.

115. The general features of the retrenchment by way of discharges on this railway were :—

> Very little retrenchment in workshops, the discharge was of temporary staff as far as possible, and of permanent staff by the test of length of service. Most of the discharges of permanent staff being in the engineering department, with practically no recourse to the inefficient, less efficient and nearing superannuation classes specified by the Railway Board.

116. Of the complaints we have received against this administration's retrenchment we may mention two in particular. A certain number related to the staff of 9 Indian refreshment rooms which were abolished as they were not paying their way—92 men were so discharged. It appears that this was not done by seniority in the catering department, but by dispensing with the staff of each of the rooms shut down. This was not a very fair way of doing it. Another complaint is in regard to the way that the statistical department was retrenched. The officer who retrenched not having appeared, Mr. Pillai

who was left to shoulder the burden could not explain and he frankly admitted that a course not adopted in any other department of the railway was adopted in this department—namely, of dividing the 100 clerks of this department into a junior section of 50 receiving salary up to Rs. 46 and a senior section receiving salary of between Rs. 48 and Rs. 150 and retrenching the seniors without demotion. After this fair admission the explanation unsupported by any record of least efficiency as the justification for discharge lost all its value. The specific cases thus dealt with are included in the list of cases requiring to be rectified by this Administration.

SECTION V.—THE ASSAM BENGAL RAILWAY.

117. **Description of Railway and its organisation.**—This is a State-owned and company-managed Railway with its Headquarters at Chittagong.

It is divided into 6 departments as under :—

(1) Traffic Department,
(2) Engineering Department,
(3) Locomotive, Carriage and Wagon Department,
(4) Audit Department,
(5) Medical Department,
(6) Stores Department.

118. **Total Staff, 1928 to 1931.**—The total staff in service for the 4 years ending on the 31st March 1931 was as follows :—

1928	14,585; of these 604 were temporary.
1929	15,414; of these 474 were temporary.
1930	16,237; of these 20 were temporary.
1931	16,335; of these 24 were temporary.

Paid apprentices are included in these figures.

119. **Gross earnings, 1928 to 1931.**—The gross earnings were—

	Rs.
1928-29	2,30,75,488
1929-30	2,22,15,584
1930-31	2,10,43,596

The gross earnings from April to October 1931 were about Rs. 6,06,607 less than for the same period of the previous year.

120. **Mileages, 1929 to 1931.**—The corresponding train mileages were—

1929-30	3,827,851
1930-31	3,765,608

From April 1930 to October 1930 the train mileages were 2,098,164 and for the corresponding period of 1931 they were only 1,967,581.

121. **Retrenchment.**—In January 1930 when traffic receipts were declining and working expenses were increasing this Administration contemplated economy in all departments. From the 1st March 1930 trains totalling 166,000 miles in the year were taken off, but no drastic staff retrenchment was made. In July 1930 certain reductions were made and since then further reductions have taken place gradually. After receipt of the Railway Board's letter of 8th July 1931 retrenchment was stopped.

122. This Administration has retrenched in all 411 permanent and 10 temporary men. Out of the 10 temporary men 6 have been re-employed.

123. **Classification.**—Of those retrenched 60 were subordinates, 241 were menials and 110 were workshop staff and artisans. Of these 50 subordinates, 87 menials and 10 workshop staff and artisans have since been re-employed. 27 persons who were offered re-employment declined to accept it.

124. The percentage of the staff costs of the total working expenditure is slightly under 50 per cent. It was decided that it was necessary to cut down the revenue expenditure by approximately 10 per cent., which meant so far as this Administration is concerned a reduction of 14·37 lakhs.

125. **Method of Retrenchment.**—The staff retrenched was selected from those who were inefficient, those who were less efficient, and those with short service.

126. Particulars were not furnished to the Court as to the length of service of each member of staff retrenched, but the majority had less than 3 years' service.

127. **According to Scales of Pay.**—Most of the staff retrenched were on scales of pay rising to less than Rs. 30 per mensem. They were drawn chiefly from menials, such as gangmen, peons and other station menials.

128. **Compulsory Leave.**—Savings have been effected on this line by placing staff on compulsory leave which in effect is equivalent to working short time. The estimate of savings on this account for 1931-32 is Rs. 23,547.

129. This line did not make use of the principle of superannuation for the purposes of retrenchment.

130. According to the Administration no new staff was recruited where retrenched men were available : but 1 stock sorter, 1 clerk for hours of employment in Agency, 1 assistant station master, 1 assistant booking clerk, 1 ticket collector, 9 signallers besides others have been employed. The retrenched list includes 2 station masters and 3 office clerks and quite a number that had been drawing Rs. 30 to Rs. 100.

131. **Federation's Criticism.**—It was pointed out on behalf of the Federation that during the year 1929-30, 813 new men were appointed. The explanation offered by Mr. Manson, the Dy. Agent, was that during the year a number of new branches had been opened and therefore new men were required. It was also urged on behalf of the Federation that no attempt was made to transfer men from places where they were surplus to places where fresh recruitment became necessary. This objection however takes no account of the

fact that among the lower paid railway servants there is an unwillingness to move from one district to another on transfer. Instead of acting on the principle of superannuation, this railway, in fact, granted extensions to 13 people, who had reached the age for retirement.

SECTION VI.—THE EAST INDIAN RAILWAY.

132. **Description of Railway and its organisation.**—The East Indian Railway is a State-owned and managed railway organised on the divisional basis with its Headquarters at Calcutta. There are 6 principal officers under the Agent, being the—

(1) Chief Engineer,

(2) Chief Accounts Officer,

(3) Chief Operating Superintendent,

(4) Chief Commercial Manager,

(5) Chief Mechanical Engineer, and

(6) Chief Watch and Ward Officer.

There are also 4 heads of minor departments.

133. **Total Staff, 1928 to 1931.**—The total staff in service in the last 4 years each ending on the 31st March was—

1928	142,361
1929	148,215
1930	149,968
1931	141,618

134. The numbers of the temporary staff employed for the last three years were—

1929	1,285
1930	2,918
1931	2,893

135. **Gross earnings, 1928 to 1931.**—The gross earnings in the last few years have been—Rs. 20,50,69,000 for 1928-29, Rs. 19,75,98,000 for 1929-30 and Rs. 18,35,10,000 for 1930-31. The gross earnings for 1931, April to September, were Rs. 9,01,16,244.

136. **Mileages, 1929-30.**—The corresponding train mileages were—

1929-30	31,077,000
1930-31	30,578,000

137. **Origin of Retrenchment.**—The chief reason for retrenchment was the heavy fall in earnings and the curtailment of the workshop programme, which made men surplus in the workshops. Improved methods of working also caused some surplus.

138. The reduction in the demands for the year made by the Railway Board was 10 per cent., and according to Mr. Robertson, the estimated saving secured by retrenchment was 99·27 lakhs.

139. The proportion of staff costs on this railway has been 51·07 per cent. in 1929-30 and 54·1 per cent. in 1930-31, and the total saving on staff costs involved is estimated at Rs. 29,35,342, against which is to be set off a payment of Rs. 7,12,000 on gratuities and grade increases, but the Rs. 29,35,342 of saving does not include that secured by working short time in the shops. There is also a saving of Rs. 5,20,471 due to unfilled vacancies from the 1st March to the end of May 1931.

140. **Method of Retrenchment.**—The retrenchment really began in August 1930, when it was decided to leave vacancies unfilled whenever possible, and before March 1931, 1,704 men, nearly all gangmen, were retrenched in the Engineering Department, together with some small reductions of electrical staff. There was also a reduction of 1,280 men at the Lillooah workshop, where there had been a retrenchment in 1930 of 1,300 men. But apart from these cases, retrenchment was begun in March 1931 with the closing down of the Manauri Oil Factory and the discharge of 272 men. 48 men were next discharged from the Block Signals shops, and 279 from the Jamalpur Steel Foundry, and 440 from the Carriage and Wagon shops at Lucknow. These were all workshop staff, of whom 6,552 were discharged in all.

141. The remaining discharges amounted to 5,143 and took place throughout all the departments and divisions of the railway. The details of the departments affected are given in* Appendix A to the answers to the questionnaire issued by the Court.

142. **Classification of Staff Retrenched.**—Classifying the staff discharged, of those outside workshops, 779 out of 5,143 were temporary, and in the workshops, of the total of 6,552, 1,519 were temporary, making a total of 2,298 men on a temporary basis.

143. According to length of service, the retrenchment took the shape of a discharge of 2,647 men with less than one year's service, 1,290 men with less than three years' service and 3,678 men with less than 10 years' service. The large number of men with more than 3 years' service and less than 10 were mostly in the workshops (2,534) as were those with over 10 years' service (1,149).

144. **According to Scales of Pay.**—By scales of pay 32 were on Rs. 250 and over : 61 on over Rs. 100 but less than Rs. 250 : 4,054 on pay over Rs. 30 but under Rs. 100 : and the balance was on pay of under Rs. 30.

145. This Railway operated under all the heads of discharge mentioned in the Railway Board's orders. The Division was taken as the unit in the case of the line staff, and the shop as the unit for the men there employed.

146. **Voluntary Resignations.**—926 men were discharged as being inefficient, and 17 as nearing the age of superannuation, though there were 656 men 56 years old, of whom 119 were given notice, against which 88 extensions were allowed. 157 men resigned voluntarily. The balance was discharged on the ground of either juniority or least efficiency, though care was taken to maintain the communal balance, so that it is difficult to give precise figures of these discharges.

147. **Demotion.**—The demotions were carried out by laddering down on the principle of seniority in the grade irrespective of seniority in service and efficiency. The total number of men so reduced in grade was 826. There

*Not published.

were at the same time 1,585 new men appointed to fill vacancies. The detailed reasons for these appointments are given in* Appendix G to the Administration's reply to the questionnaire put by the Court.

148. **Federation's Criticism.**—The Federation's objections to the course of retrenchment on this railway were the general ones urged in the cases of all the Administrations, a special one being the terms suggested by the Rogers' Committee for voluntary resignations. It was also urged that full advantage was not taken of the Railway Board's sanction for the grant of special leave on half pay up to a period of one month, and that the crew system, which it was said had proved to be a failure on the North Western Railway, had been introduced and had led to a reorganisation and the retrenchment of 218 posts, for some of the incumbents of which provision could not be made elsewhere.

149. The Federation also complained of the relations of this railway administration with the Unions of its workers. It appears that the one at Lillooah has ceased to exist; that that at Dinapore is not recognised, and that the one at Moradabad having adopted a hostile attitude, correspondence with it is now carried on only through its President (Sir Mahomed Yakub).

150. The Lucknow Union was not consulted as to the retrenchment at that place which was confined to temporary men. It was alleged by the Federation that many office-bearers in the different Unions, all the office-bearers about 25 of them, in Lillooah and those who gave evidence before the Whitley Commission had been retrenched. This was not denied by the Administration who said that they had not been discharged on the ground of their belonging to the Unions, or on the ground of their having given evidence before the Commission.

151. There was a large number of individual complaints which will be dealt with separately.

152. The binders and compositors of the Railway Press made a similar complaint of victimisation. There is no specific proof of it, but the Superintendent of the Press admitted that as against the sanctioned strength of 175 binders and 79 compositors, they have retained only 157 binders and 72 compositors and the suggestion of the Federation is that but for such excess discharges the witnesses who complained could not and would not have been retrenched.

SECTION VII.—THE EASTERN BENGAL RAILWAY.

153. **Description of Railway and its organisation.**—This is a State-owned and managed railway, organised on a departmental basis and it has 6 departments as follows :—

Agency	2 districts.
Traffic	9 districts with a sub-district.
Loco.	4 districts with a sub-district.
Engineering	7 districts with a sub-district.
Medical	4 districts with a sub-district.
Stores	3 districts with a sub-district.

The District Officers have powers of appointment and dismissal up to Rs. 200.

*Not published.

154. **Total Staff, 1928 to 1931.**—The staff has been as follows :—

On 31st March 1928	55,980
31st March 1929	57,356
31st March 1930	55,816
31st March 1931	53,627

(These figures do not include paid apprentices.)

155. **Gross earnings, 1928 to 1931.**—The Railway's gross earnings had been—

	Rs.
in 1928-29	7,29,85,870
1929-30	6,90,66,354
1930-31	5,92,20,018

The earnings from April to October 1931 have been Rs. 2,88,56,000 as compared with Rs. 3,37,71,000 in the corresponding months of 1930.

156. **Mileages, 1928 to 1931.**—The train mileages have been—

in 1928-29	10,718,823
1929-30	11,254,084
1930-31	10,539,126

From April to September 1931 the mileage has been 4,602,854 as compared with 5,394,191 for the corresponding period of 1930. The staff costs are given as being 45—47 per cent. normally of the total cost, but as now being 50—51 per cent. The total saving hoped for in 1931 is 4 lakhs ; but for the whole year it would amount to 6,74,368.

157. On this amount 1¾ lakhs are to be saved by leaving posts vacant as wastage occurs.

158. Short time has been introduced in the workshops but no compulsory leave has been enforced. The saving by short time is estimated at 4½ lakhs.

159. In the case of this railway there was some retrenchment in the engineering department in December 1930, but serious retrenchment began in April 1931, and was stopped on the 7th July 1931.

160. The total number of discharges has been 1,463, and of these 24 were temporary men and the balance permanent, while 109 men have been demoted. The retrenchment was largely one in the traffic department, the workshops coming next. The general figures were, traffic 629, workshops 370 ; loco. 193 and engineering 188. Of the demotions 106 out of 109 men were in the traffic department, largely guards and travelling ticket inspectors.

161. Of the total number discharged, 109 men were discharged as medically unfit, and 24 as superannuated.

162. Taking the workshops first by length of service, 7 with less than one year's service, 69 with less than 3 years, 631 with less than 10 and 231 with over 10 years' service were discharged, the medically unfit being among these last.

36 of the demotions were among the workshop staff. Of the non-workshop staff, 24 were temporary, 292 had less than one year's service, 283 less than 3 years' service, 167 less than 10 years' service and 327 over 10 years' service. 121 were demoted among this staff.

163. **According to Scales of Pay.**—According to salary, 6 men with salaries of over Rs. 250 were discharged ; 86 men on salaries of above Rs. 100, 426 on salaries of over Rs. 30 and 846 men on less than Rs. 30.

164. The principles on which retrenchment was carried out were generally those advised by the Railway Board, but some peculiarities occurred. There was at first a doubt as to what should be considered as " nearing the age of superannuation ", and it was finally fixed at 52. There was also a new interpretation of " inefficiency". According to the Railway witnesses, the Railway Board's " (*a*) " category was not operated on, but all likely inefficients on the grounds of health were medically examined and this resulted in the discharges already mentioned. The unit was a shop or the district, and all the remaining categories were operated on, but admittedly there were varying interpretations by the district officers who actually carried out the retrenchment. 129 were superannuated at varying ages from 50 upwards. 558 men of over 10 years' service were discharged as being least efficient, but no formal inquiry was held. The 129 resignations were from the Dacca shops. The rest of the discharges were on the ground of juniority.

165. **Federation's Criticism.**—The Federation's criticism of this retrenchment was that 38 per cent. of the staff discharged had more than 10 years' service, and that in the carrying out of the orders,—all was left to the district officers, while the disqualification of medical unfitness was one invented by this Administration. Another complaint was that no fixed standard was laid down in any of the disqualifications for retention, and that consequently these varied with each district officer, as in the case of those " nearing superannuation ".

SECTION VIII.—THE BENGAL NAGPUR RAILWAY.

166. **Description of Railway and its organisation.**—The Bengal Nagpur Railway is a State-owned and company-managed line, organised on the departmental system. There are 9 departments, including—

Audit.	
Engineering	8 districts.
Loco.	5 districts.
Commercial	5 districts.
Transportation	4 districts.
Marine.	
Medical	3 districts.
Stores.	
Watch and Ward.	

Powers of appointment and discharge upto salaries of Rs. 200 are delegated to district officers. Heads of departments have powers up to Rs. 300.

167. **Total Staff, 1928 to 1931.**—The staff employed on this Railway in recent years has been—

in 1928	65,675
1929	72,486
1930	72,048
1931	71,129

These figures include both temporary and permanent men. There are none giving the number of temporary men separately.

168. The gross earnings have been—

	Rs.
in 1928-29	9,22,15,000
1929-30	9,29,91,735
1930-31	8,12,37,835

There has thus been a sharp drop in the last year, and we were told that it still continues, the receipts from April to October having been Rs. 3,97,26,139 compared with Rs. 4,76,47,737 for the corresponding period of the previous year.

169. **Mileages, 1928 to 1931.**—The train mileages accomplished have been—

in 1928-29	14,226,779
1929-30	14,871,722
1930-31	14,249,352

Here also the decrease continues; the train miles run from April to October having been 7,605,693 as compared with 8,385,832 of the corresponding period of 1930.

170. The staff costs have been :—

	Rs.
in 1929-30	3,04,73,679
1930-31	3,01,16,369

The figure of 49 per cent. given in the Railway Administration's Case was for a period 18 months earlier, and the difference is due to a decrease in other expenses. The proportion of staff costs to working expenses was stated by the Administration to be as low as 49 per cent. unlike other Administrations and this was given as the reason for their not thinking of reduction of staff as necessary. The reduction under other heads has now made the proportion 58 per cent. instead of 49.

171. The occasion of the retrenchment was a cut in the budget demand from 743 to 639 lakhs. 3½ lakhs are being saved by unfilled appointments, and of the total saving necessary of 103·5 lakhs, the endeavour has been to save only 7·57 lakhs on staff for the reason mentioned above saving the whole of the balance by other economies.

172. The retrenchment of staff by this Administration was one of 1,636 men, and was carried out to the extent of 403 in the workshops and 1,233 from among the rest of the staff. Of the workshop staff retrenched, 316 men were temporary and 83 permanent; and of the others, 825 were temporary and 408 permanent. 263 vacancies were left unfilled and represent the wastage which

has occurred since retrenchment. There were 16 demotions. The retrenchment was largely one in the engineering establishments, except for the closing of the wagon shops at Waltair, which was decided on in January 1931. The men discharged from the shops were given indefinite leave without pay, to preserve the lien on their appointments.

173. Classifying the discharges of permanent men by length of service in the workshops, 8 had less than 1 year's service, 38 less than 3 years' service, 27 less than 10 years' service and 14 more than 10 years' service. Among the " other " employees, 105 had less than 1 year's service, 189 less than 3 years' service, 75 less than 10 years' service, and 23 more than 10 years' service.

174. **According to Scales of Pay.**—Classified according to pay, of the workshop staff, 242 temporary and 67 permanent men drew less than Rs. 30, 88 less than Rs. 100 and 2 less than Rs. 250.

175. Of the other staff, 10 drew pay rising to Rs. 250 and over, 1 over Rs. 100 to 250, 36 drew pay between Rs. 30 and Rs. 100 and 774 were on pay of less than Rs. 30. These were all temporary men.

176. Of the permanent men 1 was on Rs. 250, 5 on Rs. 100 but less than Rs. 250, 17 on more than Rs. 30 but less than Rs. 100 ; and 296 on less than Rs. 30.

177. As to the method of retrenchment, the Administration has stated that the Railway Board's instructions were generally followed and seniority was the determining factor. Only 10 men were discharged for inefficiency and 122 extensions were granted, all in departments or categories in which no retrenchment was carried out. 207 employees were over 54 years of age at the date of retrenchment mostly in the commercial and transportation, and loco. running shed departments. The discharges under " nearing the age of superannuation " were 19 in the marine department and at the Waltair shops. There were no resignations. The re-engagements have only numbered 7, of whom 6 were boy peons.

178. **Federation's Criticism.**—The Federation's complaint against the Administration is that compared with the other company-managed railways, the retrenchment has been heavy, and that the reductions and discharges have been carried out hastily and inconsiderately but there were no specific allegations of hardship.

SECTION IX.—THE BENGAL AND NORTH-WESTERN RAILWAY.

179. **Description of Railway and its organisation.**—The Railway is company-managed but State-owned. It is worked on the departmental system with 6 departments, which are :—

(1) Audit.	
(2) Engineering	5 districts.
(3) Loco.	4 districts.
(4) Medical	2 districts.
(5) Stores	1 district.
(6) Traffic	4 districts.

180. **Total Staff, 1928 to 1931.**—Staff as on 31st March in each year was as under :—

1928	26,623
1929	27,444
1930	28,051
1931	27,381

These figures include temporary and permanent open line employees.

181. **Gross earnings, 1928 to 1931.**—The gross earnings for the last 3 years have been :—

	Rs.
in 1928-29	3,62,66,939
1929-30	3,62,89,932
1930-31	3,24,83,245

The gross earnings for the 6 months from 1st April to 31st September 1931 were Rs. 1,50,13,656 as against Rs. 1,64,17,037 for the same period last year.

182. **Origin of Retrenchment.**—This railway started retrenchment in the beginning of 1930, the alleged reasons for it being a decrease in the earnings and the fact that some staff had then become surplus. The former reason is not borne out by the figures given above. The Administration says it did not set itself to save a given sum of money as their proportion of working expenses to gross earnings is much lower than on other railways. There was thus less need to adopt a regular programme of retrenchment.

183. **Number Retrenched.**—The staff retrenchment effected was as follows :—

579 men were discharged in the Engineering Department, of whom 42 have since been reabsorbed, and 74 men were discharged in the Traffic Department of whom 44 men were subsequently re-employed. No staff was discharged from the workshop. The estimated saving is 63,488.

184. **Normal Wastage.**—The vacancies by normal wastage which have not been filled are 288.

They were in :—

1928-29	221
1929-30	235
1930-31	263

185. **Method of Discharge.**—The principle adopted for discharge was short service consistent with efficiency. In the cases of malis and coolies the unit taken was the station. As regards gangmen, the unit was the gang.

186. **Fresh recruitment.**—2 European guards have been engaged to fill vacancies which have occurred by normal wastage. Of 8 vacancies in the cadre of guards, 2 have been filled by fresh recruitment, 4 posts have been given to trained candidates, and 2 have been left vacant.

187. **Short Time.**—Short time was not resorted to, but 434 men have been on compulsory leave from time to time. The scale of salaries on this railway is low as compared with others.

188. **Federation's Criticism.**—It was urged on behalf of the Federation that normal wastage would have been ample to provide for the surplus staff. It was also alleged that certain clerks in the Audit department were retrenched on medical grounds without any reference to their ages.

189. No individual cases were heard from this railway, although a few applications were submitted to the Court which held that they were irrelevant as disclosing no case for inquiry.

SECTION X.—THE ROHILKHAND AND KUMAON RAILWAY.

190. **Description of Railway and its organisation.**—This railway is partly State-owned and partly company-owned and is company-managed. It is worked on a departmental basis and has 6 departments :—

(1) Audit,
(2) Engineering,
(3) Loco,
(4) Medical,
(5) Stores, and
(6) Traffic.

Each department has one district only. Heads of departments have powers of appointment and discharge up to Rs. 100. The Agent reserves the powers of appointment and discharge of persons who have salaries from Rs. 200 upwards, except in the Traffic department which may recruit running staff up to a scale of Rs. 150.

191. **Total Staff, 1928 to 1931.**—This Administration's staff as on 31st March in each year was as under :—

1928	6,161
1929	5,995
1930	6,166
1931	6,132

The staff cost for the year ended March 1930 was Rs. 1,13,105.

192. **Gross earnings, 1928 to 1931.**—The gross earnings as at 31st March were in the last 3 years :—

	Rs.
1928-29	68,16,336
1929-30	64,83,045
1930-31	65,56,819

The gross earnings for the 6 months from 1st April to 30th September 1931 were Rs. 28,48,024 as against Rs. 31,36,518 for the corresponding period of 1930.

193. **Origin of Retrenchment.**—The financial position of this railway was reviewed at the beginning of November 1930, when the retrenchment was commenced.

194. **Nature of Retrenchment.**—Only 18 men have been retrenched on this railway. 1 mali and 1 chowkidar in the engineering department were discharged after the Railway Board's telegram of the 8th July stopping further retrenchment. No staff was retrenched in the workshops.

195. Of those retrenched 1 man is from the Audit department, 5 from the Engineering department and 12 from the Traffic.

196. **The Principle of Retrenchment.**—The principle adopted for discharge was short service consistent with efficiency. In the case of malis and coolies the unit taken was a station. As regards engineering gangs, the unit was the gang.

197. **Demotion.**—7 men of this line (of whom 5 were temporary assistant guards) were reverted to their substantive posts of brakesmen on account of the fall in traffic.

198. The age limit for retirement is 60 years.

199. **Short time.**—Short time has not been found necessary.

200. **Leave reserve.**—The traffic and audit departments are the only 2 departments which have special leave reserves.

201. **Terms allowed to discharged Staff.**—One month's notice of termination of service has been given when due.

202. **Normal Wastage.**—The annual wastages have been—

1928-29	66
1929-30	59
1930-31	94

203. **Federation's Criticism.**—The Rohilkhand and Kumaon Railway Union is not recognised by this administration. Compulsory leave is complained of as one of the methods adopted for reducing surplus staff, and it has been urged that if the Geneva and Washington Conventions were put into force recruitment of fresh staff, instead of the discharge of those in its service, would have been necessary. The retrenchment effected is in any case so small as not to call for any comment.

SECTION XI.—THE NORTH-WESTERN RAILWAY.

204. **Description of Railway and its organisation.**—The North Western Railway is a State-owned and State-managed line, organised on the divisional system. There are 7 operating divisions, one workshop, and 4 smaller departments under the Signal Engineer, the Bridge Engineer, the Chief Medical Officer and the Controller of Stores respectively and the Agent's powers are delegated to the divisional officers and heads of departments as to appointments and discharges except in the cases of subordinates drawing under Rs. 30, who are

appointed and can be discharged by district officers. The main workshop is at Moghalpura near Lahore, and there is a smaller one at Sukkur, and a very small one at Kalka.

205. **Total Staff, 1928 to 1931.**—The figures supplied for staff are—

31st March 1928	1,19,803
1929	1,16,383
1930	1,21,874
1931	1,13,706

206. The temporary staff employed has varied considerably,—

On 31st March 1928 it was	5,903
1929	1,473
1930	3,674
1931	2,213

207. The staff figure for the 31st October 1931 was 1,08,331 of whom 3,318 were temporary. The explanation for the increase in temporary staff after retrenchment is, that it represents re-employed men who have now been engaged on these terms. These figures exclude audit and accounts which are not under the Agent.

208. **Gross Earnings, 1928 to 1931.**—The gross earnings in the last 3 years have been :—

	Rs.
1928-29	18,37,23,000
1929-30	17,87,82,000
1930-31	17,07,19,000

The earnings for the current year from April to August were Rs. 5,91,83,000 as compared with Rs. 6,77,26,000 for the corresponding period of the previous year.

209. **Mileages, 1930-31.**—There has been a corresponding decrease in train mileage which was 28,372,785 miles in 1929-30 and 26,688,000 in 1930-31 and 5,596,854 miles for May, June and July 1931 compared with 6,672,000 miles for the same months of 1930. The decrease in mileage is both in passenger and goods traffic.

210. The working expenses have been :—

	Rs.
1928-29	13,29,33,000
1929-30	13,59,20,000
1930-31	13,86,29,000

211. The retrenchment here, as on other lines, was due to a reduction of the budget demands in view of the fall in income. It was decided that a 10 per cent. reduction was necessary, which meant in this case one of 150 lakhs, from Rs. 11,15,68,000 to Rs. 9,65,30,000.

212. The savings expected by working short time at Moghalpura and Sukkur were Rs. 3,30,233 and are included in the total expected saving of Rs. 24,32,818 on salaries. The balance necessary to be saved was to be got from material. Mr. Gregory, the administration witness, told us that up to September 1930 it had been estimated that 122·64 lakhs had been saved.

213. The retrenchment started in March 1931 and 9,253 men, of whom 228 were temporary, were discharged, and 1,157 were demoted, that is reduced in grade to the one next below.

214. The Union had been informed of the contemplated discharges in January 1931, the reason given it being the loss in earnings and the speeding up of work in the shops, which had made men surplus there.

215. **Principles of Discharge.**—The principles on which discharges were carried out were those contained in the Railway Board's instructions, and all 4 grounds for discharge were adopted, and regard was had to maintaining the existing communal proportion; but the Board's orders as to the discharge of men with over 10 years' service only after an inquiry, were not observed, as it was thought that they did not apply to the emergency necessitating this retrenchment.

216. Generally speaking, the reduction was effected by laddering down in order of seniority with discharges of the most junior men, seniority being reckoned from date of confirmation in the grade irrespective of salary.

217. The unit adopted was, in the case of open line staff, the senior subordinates' charge, in the case of staff controlled by divisions the division, and in that of the head offices, the administration as a whole. This principle of discharge by units was admitted not to have been followed in the case of officers referred to at pages 59 and 60 (Appendix "C") of the "Statement of the case for the Railway Administrations" (not published).

218. We wish here to state that in the course of the examination of many witnesses Mr. Bhagat and Mr. Gregory stated that the shed was the unit, but this has since been stated to us to be an error and we take it therefore that either no case has taken the shed as a unit or where it has been done it has been rectified.

219. In the workshops, the reduction was carried out by the shop, subject to the limitation of the trade categories, a necessity imposed by the nature of the work.

220. Of the grounds of discharge, that of inefficiency was applied in 286 cases. 51 was taken to be the age of superannuation, and 95 men were discharged on attaining that age. There were 273 voluntary retirements. The remaining discharges were on the grounds of juniority and least efficiency.

221. Broadly speaking, the retrenchment took the form of the discharge of 7,564 of the non-workshop staff and 1,689 of the workshop staff, thus being largely one of the former class, and of that class 179 were temporary, the temporary men going first, and next staff with under 3 years' service in categories in which a surplus was found to exist. The total figure of non-workshop staff discharged accordingly includes 6,071 of the most junior men with under 3 years' service, and the balance was largely of staff in the inferior service who are locally recruited, and who are generally difficult to transfer elsewhere.

222. The workshop staff discharged, however, was mostly of skilled men with longer service. The reasons given for the difference are that recruitment in recent years has been among the unskilled workers, while the surplus due to improved methods was largely among the skilled, who mostly had more than three years' service, and the majority of the staff at Karachi where the shop was closed down entirely also had more than 3 years' service.

223. The figures were :—

Non-Workshop Staff.

Out of 7,564, 3,837 had under 1 year's service, 2,234 under 3 years' service, 979 under 10 years' service, and 514 over 10 years' service.

Workshop Staff.

224. Out of 1,689, 65 had under 1 year's service, 76 under 3 years' service, 760 over 3 and under 10 years' service and 788 over 10 years' service.

225. The demoted numbered 1,157, of whom 15 were on Rs. 250 or over, 81 on Rs. 100 or over, 831 on Rs. 30 or over, and 230 on under Rs. 30.

226. **Fresh Recruitment.**—Recruitment of outsiders was stopped with the introduction of retrenchment. In the workshops in particular, recruitment had been stopped for some time prior to the commencement of the block retrenchment. There has been some recruitment, however, in certain categories in which there has been no retrenchment, or in which there was no surplus. For example, in the medical branch 13 new hands have been employed, in the signal branch 8 men were taken on, and in the mechanical workshop one journeyman boilermaker has been engaged. In the printing press one proof reader has been appointed.

227. **Federation's Criticism.**—It was argued on behalf of the Federation that although the fall in earnings had been foreshadowed some time previous to the actual block retrenchment, yet this administration had continued to take on new hands, and the explanation offered by the administration is, that such recruitment was essential in certain categories. Although committees were appointed in each division to deal with cases of retrenchment it was argued on behalf of the Federation that these committees did not act with any uniformity.

228. A grievance was also made of the fact that compulsory leave was not adopted generally on this line. In the case of travelling ticket examiners it was pointed out by the Federation that they have been deprived of certain of their allowances while their basic pay remains the same.

229. It was also stated on behalf of the Federation that a large amount of work was in arrears on this line owing to reduction of men but no evidence was led to substantiate this statement.

230. There was a very large number of individual complaints on this railway. These were carefully sifted by the Court, and those complaints having any substance were duly examined. The details will be dealt with in a separate chapter.

Varying application by the different Administrations of the Railway Board's orders for Retrenchment.

231. The varied interpretations given to the Railway Board's directions for the methods to be pursued in discharging staff, may have been partly due to the fact that discharges had already taken place before the orders were received, but were also due to the interpretation being left to Divisional and District Officers, without any further elaboration by the Agents concerned.

232. Even where "short service" was defined as of less than a certain number of years, all men of the service decided on, or less, were not invariably discharged before men of longer service.

233. Where the rule of "nearing superannuation" was resorted to, it was not rigidly or uniformly enforced. For instance, where 52 years of age was fixed as being the point of superannuation, some men aged 54 were not discharged, while others who had actually attained the ordinary limit of service at 55 were given extensions. Similarly in the case of demotions, this was sometimes carried out by length of service, or again by rates of pay: and in yet other cases by length of service in the grade.

234. There was in fact a great diversity in the way in which the Board's orders were carried out and in nearly all administrations, one or more of the grounds decided on by the Board were not availed of by some administrations, while similar grounds were differently applied on different systems: or even in districts or departments of the same system.

235. On the Great Indian Peninsula Railway the "least efficient" class were not discriminated against, while the rule that temporary men of a year's service or more were to be considered on the same footing as permanent men of like service was also neglected. Similarly with the men approaching the age of superannuation, none of whom were discharged.

236. This administration contented itself with operating on inefficiency and short service the latter class being taken to include men with less than 5 years' service, and this class for discharge numbered nearly 9,000 men with 29 men considered to be inefficient. The suggestion to allow men of 1 year's temporary service equal rights with permanent men of like service was rejected as being unfair to the permanent men. For demotions, pay in the grade was taken as the determining factor. In some cases, however, where in the past Anglo-Indians and Eurasians had been recruited on higher rates of pay, this rule worked as an unfair discrimination against other communities. The old rule as to recruitment, however, is no longer in force.

237. On the Bombay, Baroda and Central India Railway the 12 months' continuous service rule for temporary men was applied in one department, but not generally—see page 80 of the administration's case.* Short service was held to be service of less than 3 years, and in the Loco. and Carriage Department this was the only direction operated on. In the Districts, similarly, short and medium service was taken as the test and there was no discharge of inefficients. In the metre gauge Loco. Department the order of application of the heads of discharge was (1) superannuation, (2) inefficiency and (3) short service.

* Not published.

238. Most of the discharges on the Madras and Southern Mahratta Railway were achieved by offering inducements for voluntary retirements.

239. The South Indian Railway discharged refreshment room staff by refreshment rooms closed, and in the statistical department did not apply any of the rules, as it discharged senior men instead of demoting them and discharging juniors.

240. The Assam Bengal Railway did not apply the superannuation rule, and resorted to that of inefficiency in only 11 cases.

241. The general rule for discharge was short service and of the 238 discharged, a large proportion being 166, had less than 3 years' service. Of the balance of 172, those who have not since refused service, have been re-engaged.

242. On the East Indian Railway advantage was taken of all 4 heads of discharge and the main criticism against this administration has been the method of application of the rules and the results arrived at.

243. On the Bengal Nagpur Railway the 1 year's rule as to temporary men was not observed. No men were discharged for inefficiency according to Mr. Carroll, but efficiency rather than seniority was the determining feature of discharging.

244. On the Bengal and North Western and Rohilkhand and Kumaon Railways the only test was short service consistent with efficiency.

245. On the Eastern Bengal Railway the system adopted was that the decision should rest with District Officers, the Agent not 'interfering' in any way.

246. Inefficiency was not admittedly operated on, but left to ordinary procedure and we understood there were no inefficients left at the time of discharges. The remaining 3 classes were all availed of, though in the main the 'short service' rule governed discharges.

247. A service of less than 3 years was held to come within the class, though this rule was not applied universally. According to Mr. Gupta, who gave evidence on the point, the rules were applied in the following order :—

(1) superannuation,

(2) least efficiency, and

(3) short service.

In some cases the reason given was inefficiency which was afterwards altered to 'least efficiency'.

248. Superannuation here was largely determined on the basis of inefficiency after a medical examination, and so was least efficiency and this was the method adopted for discharging men with 10 years' service.

249. In the case of the North Western Railway there were very few discharges for inefficiency the ordinary rules on the point being availed of in such cases.

250. The order of discharge was :—temporary staff : staff on extension. short service as being under 3 years, and consistently bad records—that is least efficiency. But in some cases, discharges were ordered in the higher grades without demotion, and the discharge of junior men, though the general rule adopted was that the discharges should take place in the basic grades. Seniority, in cases of demotion, was counted as from date of confirmation in the grade.

SECTION XII.—INDIVIDUAL CASES.

251. The Court felt it would be useful, both from the point of view of the administrations and of the workers, if individual cases of hardship were heard. To hear them also appeared to us to be necessary under the Act. Accordingly, in the notices issued at the several places where the Court held its sittings, individuals who wished to state their grievances were asked to do so in writing, in the first instance.

252. The procedure adopted by the Court was, by public notice to fix a time limit for individual petitions in writing in the case of each administration. When all the applications had been received by the Court, its Members and Secretary scrutinized each of them and if the application on the face of it showed that the petitioner had no case it was rejected summarily. But where the application *prima facie* disclosed what might be a real grievance it was admitted and the petitioner was directed to appear in person, when his grievance was fully considered together with any explanation that was offered by the Railway administration concerned. In this matter the administrations were of great assistance to the Court, as they gave passes to any of their workers, whether discharged or still in service, on presentation of the postcard from the Court directing him to attend.

253. In this way 650 individual cases in all were heard out of a total of 1,834 petitions submitted. No applications were admitted from the Assam Bengal, the Bengal and North Western and the Rohilkhand and Kumaon Railways.

254. The following classified table shows the number of cases dealt with :—

	Individual cases accepted.	Individual cases rejected.	Total.
Great Indian Peninsula Railway	145	78	223
Bombay, Baroda and Central India Railway	94	17	111
Madras and Southern Mahratta Railway	60	5	65
South Indian Railway	25	14	39
Assam Bengal Railway	None	8	8
Bengal and North Western Railway	None	3	3
Rohilkhand and Kumaon Railway	None	None	*Nil.*
East Indian Railway	55	82	137
Bengal Nagpur Railway	9	12	21
Eastern Bengal Railway	67	94	161
North Western Railway	195	204	399

255. 43 applications more in Bombay, 15 in Madras, 166 in Calcutta and 443 in Lahore were rejected as time barred.

256. Most of the individual cases were concerned with alleged favouritism, the applicant's grievance being that some men junior to him in grade, or length of service, had been retained or left in their original grades, while he had been discharged or demoted, as the case might be. Part of the difficulty here, where the question was one of seniority, was that in some cases one unit for reduction was chosen, and another in others. It was sometimes by grades, sometimes by length of service, and again by stations or divisions, or trade categories. Though this had not always been recognised in the complaints made by witnesses, their complaints were in a number of cases just and satisfactory explanations from the Administration were not always forthcoming in this type of cases. It may also be added that the principle had not been consistently applied as in a number of cases it was found that discharges had been made in one division and transfers had been made to that division from other divisions.

257. A second general ground of complaint was that of the men discharged for inefficiency or less efficiency. The Administration's answer was usually the complainants' service record, which was not always a complete vindication of the action taken.

258. There is great variety in the way in which such records are kept, both among the different Administrations and in departments of the same Administration. The most complete are those on the North Western Railway, particularly in the workshop. Their records generally contain entries of warnings and fines, as well as of all increments granted and promotions given—but the argument before us has been, as to the punishments, that most of these are insignificant, being for minor breaches of discipline and good conduct, and that a complete examination of all men's records would show that it is impossible to serve for any length of time without incurring some of these punishments. This may be so, but these entries are the only existing records of a man's service merits and the only alternative on which to judge him is the opinion of the head of his branch, the correctness of which is probable, but cannot be demonstrated.

259. The most systematic method of discharges we have come across is that devised by Mr. A. K. Gupta, a District Traffic Superintendent of the Eastern Bengal Railway. He drew up complete statements of each man's record, allotting so many good and bad marks for periods of clean records and for punishments respectively, and having fixed a standard of inefficiency in this way applied it to the men he was concerned with, and discharged those who came within it on the system. This system was attacked by the Federation as being too abstract and mathematical, but it could not be said that it was not just.

260. Another indication of inefficiency in some cases was afforded by the system of periodical increments in workshops, which showed a bad year's work by the refusal of an increment, but this test could not always be applied, as in the North Western Railway for example, increments are given automatically—and no record of any but serious misdemeanours is maintained.

261. In some cases the complainants' records were not available at the time and we had the administrations' explanation supplied to us subsequently.

262. Lastly come the cases in which some corrupt motive, such as communal or family bias, or the taking or demanding of illegal gratification, were alleged in the complaint.

263. Speaking generally, such allegations were very few, and were made against senior subordinates only, of the chargeman class.

264. On the whole, we think there has been very little favouritism due to communal or other bias. The allegations of corruption we have not investigated. To have done so would have involved lengthy inquiries serving no real public end, and involving a great waste of public time.

265. Our refusal to investigate them was represented to us as a hardship by some of the Administrations concerned, on the ground that their officers were so deprived of an opportunity of vindicating their characters by bringing evidence in rebuttal, but this representation had to be set aside on the same ground. We felt that since such charges are, in a vast majority of cases easily made, very difficult to prove, and almost impossible to rebut : and were in the circumstances of discharged men likely to be hastily made, we were not justified in further investigating them.

266. In a small number of cases the Court was of opinion that certain individual workmen had been wrongly retrenched, and that theirs were real cases of hardship. A list of these cases is appended below. The Court feels that these men have a genuine grievance in having been retrenched, and recommends the re-instatement of the ones whose names appear in list ' A ' and that the Railway Administrations should further investigate and where necessary rectify the grievances in the case of those whose names are mentioned in list ' B '.

List A.

267. *The Great Indian Peninsula Railway—*

W. J. Leveridge, Goods Train Driver, Kalyan.

Kishen Singh, Supervisor of Works, Engineering Department.

T. R. Vedavyasarao, Signaller, Khandwa.

J. C. Sayers, Guard, Jubbulpore.

Moses Samuel, Brakesman, Igatpuri.

S. L. Kolatkar, Photographer, Deputy Chief Engineer's Office, Manmad.

J. V. Geete, Stenographer, Chief Transportation Superintendent's Office.

N. H. Hardiekar, ' A ' grade proguard.

Ismail Khan Anwar Khan, Leverman.

Abdul Rahman Khan, ' A ' grade Fitter.

N. V. Bhuskute, Draftsman, Chief Engineer's Office.

Mohamed Yakub, ' A ' grade Fitter.

Syed Alay Hassan, Inspector of Works.

Mohamed Shafi, ' C ' grade Fitter, Parel.

Abdul Gafoor, Guard, Jhansi.

268. *The Bombay, Baroda and Central India Railway—*

K. D. Kulkarni, Sub-Overseer, Engineering Department.

Mohanlal Ghelabhai, Fitter, Surat.

Arthur Compos, 'A' grade Fitter.

269. *The South Indian Railway—*

R. Rangaswami Iyengar, Clerk, Statistical Department of the Agency Department.

Anantha Naidu, Clerk, Statistical Department of the Agency Department.

T. R. Sreenivasa Iyengar, Clerk, Statistical Department of the Agency Department.

N. S. Vaidyanatha Iyer, Clerk, Statistical Department of the Agency Department.

K. Jambunatha Iyer, Clerk, Statistical Department of the Agency Department.

Thiyagaraja Row, Clerk, Statistical Department of the Agency Department.

K. S. Radakrishnaier, Clerk, Chief Auditor's Office.

Leopold Pavey, Guard, Villupuram.

R. Rajagopalachari, Clerk, Publicity Branch, Trichinopoly.

Sivaramakrishnaier, Open line.

Azim, Draftsman, Chief Mechanical Engineer's Office.

S. Michael Pillay, Open line.

270. *The East Indian Railway—*

Ramautar Ram, Clerk, P. W. I.'s Office, Tundla.

Mrs. G. Barry, Clerk, Moradabad.

Shyama Charan Ghose, Store Keeper, Jamalpur.

Hemchandra Sanyal, Draftsman, Santragachi.

Bishnu Pada Goshal, Clerk, Agent's Office.

Sulaiman Khan, Binder, Calcutta.

Mir Harmij Ali, Binder.

Assirudin Kassar, Binder.

Bashiruddin Khan, Binder.

271. *The Eastern Bengal Railway—*

Upasu Barman, High Power Lamp Fitter.

Manmatah Nath Chakrabarty, Tracer, Calcutta.

Mahomed Isak, Guard, Dacca.

G. B. Singh, Guard, Dacca.

Feda Hussein, Guard, Dacca.

Tafiruddin Ahmed, Guard, Dacca.

S. N. Roy, Guard, Dacca.

H. C. Roy, Trains Clerk.

B. N. De, Guard.
A. Andrews, Guard, Calcutta.
B. De, Assistant Claims Inspector.
K. C. Biswas, Station Master.

272. *The Bengal Nagpur Railway—*
N. F. Agarwalla, Sub-Overseer, Kidderpore.

273. *The North Western Railway—*
Sardar Singh, Vacuum Fitter, Lalamusa.
Mohamed Hussein, Fitter Mistri, Mari Indus.
Abnashi Ram, Goods Clerk, Taxila.
Abdul Karim, Goods Clerk, Mardan.
Nital Chand, Goods Clerk, Peshawar.
Nazir Ahmed, Electric Examiner, Rawalpindi.
Umar Hayat, Signal Shop.
Dil Bagrai, Inspector of Works.
Mahomed Hussein, Inspector of Works.
Kundan Lal, Despatcher, Lahore.
Bothuram, Relieving Clerk, Multan.
Syed Zilla Panchton, Tracer.
Mohamed Hussain, Fitter.
Wali Mohamed, Fitter.
Amiruddin, Fitter, Signal Workshop.
Abdul Hassan, Fitter.
Sundar Das, Fitter.
Abdul Hussain, Fitter.
Fazil Mohamed, Fitter.
Elamdin, Fitter.
Wazir Mohamed, Machineman.
Ishar Singh, Fitter.
Abdul Rashid, Ticket Examiner.
Kalicharan, Boiler Maker.
Bahadurchand, Telephone Clerk.
Gauri Shankar, Accounts.
Santa Singh, Boiler Maker Cooly.
Alla Din, Boiler Maker Cooly.

List B.

274. *The Great Indian Peninsula Railway—*
Nanookhan Kalikhan, Fitter, Igatpuri.
Percy Welcome, 'A' grade Driver, V. T.
Ahmed Ali, Painter.

Parashram Ganesh Garde, Fitter, Parel.
R. B. Luman, Draftsman.
C. A. Damaron, Driver, Kalyan.
Abdulakhan Gulabkhan, Assistant Rivetter, Jhansi.
Rahimkhan, Boiler Maker, Jhansi.
Rajjab Abdulla, Fitter, Jhansi.
D. A. Garthwaite, 'B' grade Driver, Jubbulpore.
Bhimava Dhondi, Porter, Sholapur.
J. Parkar, Fitter, Parel.
Bhachoo Singh, Electric Fitter, Traction Department, Kalyan.
Damodar Arjun, Armature Winder.
Siddeshwar Dattatraya, Number Taker.
Zahir Hussein Rizvi, Signalman.
P. V. Tatke, Number Taker.
Ganesh Trimbak, Number Taker.
Daja Bhaoo, Fitter, Parel.
Armaji Gopal, Fitter, Parel.
K. N. Pitkar, Electric Guard, V. T.
R. G. Nawa Range, Electric Guard, V. T.
R. Sakharam, Electric Guard, V. T.
Mathabadal Sitaram, Mistri, Matunga.
Damodar Pradhan, Shunting Master.
Charles Valladares, Fitter, Special grade.

275. *The Madras and Southern Mahratta Railway—*

Muthukrishnan, 'A' grade Apprentice.
Kuppuswami Naiker, Carpenter.

276. *The East Indian Railway—*

Mahomed Syed Khan, Tracer, Tundla.
F. A. Shaw, Mechanic, Howrah.
T. DeRoze, Chargeman, C. & W. Shops, Lillooah.
K. E. Martin, Way Inspector, Calcutta.
K. C. Chowdhury, Inspector of Asansol.
K. N. Parmanik, Turner, Howrah.

277. *The Eastern Bengal Railway—*

Sudhir K. Bannerji, T. Clerk.
S. K. Bose, Guard.
M. Swole, Guard, Calcutta.
C. V. Deefholts, Guard, Calcutta.
E. H. Holmes, Chargeman Erector, Dacca.

B. C. Nath, Guard.
A. L. Bannerji, Train's Clerk.
H. P. Datta, Goods Clerk, Budge Budge.
J. A. Stalkey, Travelling Ticket Examiner.
M. A. King, Travelling Ticket Examiner.
S. C. Bannerji, Travelling Ticket Examiner.
P. B. Bose, Travelling Ticket Examiner.
N. L. Bannerji, Travelling Ticket Examiner.
M. N. Chatterji, Travelling Ticket Examiner.
W. J. Wilson, Travelling Ticket Examiner.

278. *The Bengal Nagpur Railway—*

G. S. Bannerji, Assistant Tally Clerk, Howrah.
B. V. Appa Rao, Overseer, Balasore.

279. *The North Western Railway—*

Gulam Mohamed Sultan, Blacksmith, Kundian.
Himmat Singh, Vacuum Fitter, Jullunder.
Nand Lal, Carpenter.
Gyan Singh, Carpenter.
Gulam Mohamed, Carpenter.
Sharf Din, Carpenter.
Ali Bux, Carpenter.
Sain Das, Relieving Signaller, Delhi.
Khairrudin, Fitter.
Lalchand, Lamp Coolie.
Alla Ditta, Fireman.
Rama Lal, Boiler Maker Mistri.
Sohanlal, Wireman.
Ramnath, Wireman.
Ramjhar, Gas-making Mistri.
Abdul Aziz, Ticket Collector.
Khan Mir, Cleaning Jamadar.

Accounts Department.

280. The Accounts department in the Company-managed railways is part of the Railway Administration subject to the control of the Agent. On the State-managed railways the Accounts department has been recently placed under the Financial Commissioner for Railways, and the Agent has no longer any control over it. The Railway Board had issued their letters of the 3rd and the 6th March 1931 to the Agents, but what orders were issued to the Controller of Railway Accounts and through him to the Accounts Officers was not made clear to us by the production of the original papers.

In July when the discharges were stopped, the Financial Commissioner forwarded to the Controller of Railway Accounts a communication produced before us which is in the following terms :—

> "As a result of discussion with Agents, the Board have decided that on State-managed railways discharges of employees should be suspended, with immediate effect and until October next when the position will be reviewed in consultation with Agents. These orders do not apply to—
>
> (*i*) Men already under notice of discharge.
>
> (*ii*) Men engaged for purely temporary purposes.
>
> (*iii*) Gazetted Officers."

From this it is fairly clear that the Financial Commissioner had issued orders originally for retrenchment in Accounts in his letter No. 683-E. G. of 3rd March and stopped it in July. The Accounts departments of State-managed railways are doing the same work as before in connection with the financial side and except for the new subordination to the Financial Commissioner instead of to the Agent, they are a part of the Administration which pays for their upkeep. That can be the only reason why the order was made applicable to them. The Accounts Department at Lahore however contended that "the Administration" could only mean the Agent and the departments subject to the Agent, and could not therefore include their department, which was therefore outside the reference to the Court. It is a matter of interpreting the terms of reference and we thought we were entitled nay bound to bear in mind the history of the dispute and the surrounding circumstances.

281. It is the common case of the parties that the scope of the reference has to be ascertained, not only from the words used, but also from the previous correspondence. Judged in the light of the circumstances and the previous correspondence it was clear to us that the reference included these discharges in the Accounts department, for in the first place, the Accounts departments are part of the Railway Administration in the sense that they are now doing the same work as before the separation, and are paid by the railway. In the second place the Accounts department is admittedly included in seven out of eleven administrations involved in this inquiry, and it cannot have been the intention that the four other railways should be differently treated in this respect. Then again discharges were carried out to reduce the expenditure on each railway and this must include the cost of these departments as well. Lastly, the Financial Commissioner who has the authority to issue orders, did not issue his own, but forwarded those which applied to the Administrations, and directed that those orders applied to the Accounts department as well. These seem to us sufficient indications that these Departments were within the reference. That the Accounts department is not subject to the Agent's control did not seem to us enough to take them outside the scope of this inquiry. There may be occasions and purposes in and for which the word "Administration" may have to be given a limited content, so as to exclude the Accounts department. But there is in our opinion no ground for putting that limited construction on the terms of this reference, regard being had to the history of the dispute and the scope and object of the reference.

282. We may add that this point was not raised until we reached Lahore. We mention it not so much to deny the Administrations their right to raise

a point of the kind at any stage, but as an indication that there can be little substance in a point which did not occur to the parties during the earlier stages of the inquiry.

283. At the close of the argument for the Federation Mr. Bhagat who represented the Department said that there was no original order for retrenchment, and that no such paper was on file, and also said that what was called retrenchment, was only the discharge of some temporary hands for whose retention sanction had been refused for the new year, though they had been kept on in anticipation of sanction, for necessary work. This argument overlooks the following passage in Mr. Judge's evidence which was as follows:

> " We began retrenchment in my department in May *last under the orders of the Controller of the Railway Accounts.* 1,344 is the total strength of my staff. We have retrenched 171 up to the end of November 1931. 9 were superannuated and 162 were temporary hands. *The order in which we discharged people was inefficients, least efficients and those nearing the age of superannuation.*"

284. This statement would make it appear that it was a retrenchment under definite orders. If sanction was withdrawn for 171 temporary men it could not have been that sanction for 171 particular hands was withdrawn, but only that 171 would have to be reduced and must be discharged, and who the 171 should be was still a matter for the application of the principles referred to in the evidence of Mr. Judge. We think Mr. Bhagat was wrong in contending that the case was one of certain clerks having to go out for want of sanction for their appointments.

CHAPTER III.

SPECIAL TOPICS.

Wastage.

285. The representatives of the Federation have insisted very strongly that discharges could have been avoided to a very large extent, had the Railway Administrations held their hands and trusted to natural wastage to effect the reduction in numbers which was aimed at. By wastage is meant losses in personnel due to deaths, retirements, discharges, resignations and dismissals. No complete statistics are available for any of these occurrences but some figures compiled from the Provident Fund returns which only relate to a proportion of the railway workers, have been furnished by some of the Administrations, and statistics as to general death rates have been obtained in Bombay and Madras, and there are some other pieces of evidence on the point.

286. One of the difficulties in connection with this question is to judge of the real meaning of such figures as there are. In the cases of the lower ranks of railway workers, the services suffer from the absenteeism which is so common in other organised Indian industries and a worker's absence may be unaccounted for, as far as an Administration is concerned. He is treated as having

discharged himself, and in this way, if he returns to work, may figure as the subject of several discharges in the course of a few months. Retirements, resignations and discharges are probably indistinguishable among the lower and more casual ranks of railway labour and in the present conditions, it does not seem probable that reliable statistics could be maintained for these classes.

287. There are, however, still further difficulties. The normal operation of the process of wastage, would not give an immediate reduction in numbers and saving in wages. It would ordinarily be spread over a whole year, and its full effect would not be obtained till the end of that period. This method is therefore unsuitable where a heavy retrenchment is desired. Again, the argument as presented to us does not take account of the many different factors in the case. When paraphrased it comes to this—since there are over 7,00,000 railway workers in the systems of the Indian Railways, and the annual wastage must be at least 30,000 men, all the reductions necessary would have been obtained by stopping recruitment all round, and leaving vacancies unfilled.

288. The most obvious assumption made is that all railway workers are equivalent to each other, or interchangeable, or which is much the same thing, that deaths, retirements and so on will be in exact proportion in each class of workers, so that the different parts of the human machine which composes a big railway will still be in a position to function in their relative spheres, though its numbers have been reduced.

289. But we know from experience that deaths and other forms of human wastage do not occur in this manner. It is true that we speak of the death rate of large sections of the population in terms of so many per thousand but even so there may be great variations, as the death rates quoted to us show. Moreover, these statistics relate to large numbers treated simply as equivalent items from the single standpoint of mortality. Even if a simple rule, such as superannuation at the age of 55, is applied, no rate of wastage in a particular year can be predicted, without knowing the year of birth of each man, for the wastage, during, say 30 years, may have varied and some yearly batches of recruits are probably much larger than others. The rates of premature resignations, discharges, a less humiliating form of dismissals, and dismissals, are still less capable of prediction. These considerations would seem to be sufficient to dispose of the argument from rates of wastage, but since the point has been pressed very vehemently before us, it seems worth while to discuss it a little further.

290. Mr. Jamnadas's argument, in its lowest terms, is that a group of 30,000 men will be chosen from the larger group of 7,00,000 by death and the other causes of wastage, leaving 6,70,000 only at the end of the year to carry on the work. But the question of who the 30,000 chosen are, provided they are chosen, is not indifferent, as the implication is, for to take obvious cases, a guard cannot be substituted for a driver, or a gateman for a station master. Even where there are few divisions or classes to be considered the number of ways in which wastage might work mounts up very rapidly. A selection of two out of eight may be made in 28 ways ; one of three out of it in 56 ways and of 4 out of 8 in 70 ways and so on and the figure for 30,000 out of 7,00,000, will obviously be very large. But the number of kinds of workers in a large Railway Administration, who are not readily interchangeable is also very considerable. We have been given estimates of non-interchangeable trade categories in Railways Workshops alone, and the lowest number is about 18,

excluding supervising staff. The possible chance selections of wastage may, on the assumption made by Mr. Jamnadas, operate in any one of these categories or classes, and in theory one is as probable as another, so that an Administration cannot possibly know in which class the wastage will be, though we may say generally that most will occur in the largest while it may so happen that many small ones may have none for several years together, and so on. Yet another factor to be considered is where the retrenchment is required, or can be most conveniently effected, without hindering the work of the machine as a whole. This will depend partly on the recent history of the Administration, and partly on the occasion of the necessity to retrench. Owing to different causes, a particular section may be carrying surplus staff for whom sufficient work to do does not exist, while some administrative reform has rendered the work of others superfluous, and new machinery may have displaced yet others. In fact, the closer the question is studied, the more complicated does it become, through the qualifications which are to be made at every stage of the application of the principle, and it is obvious that all the Administrations can do is to leave vacancies unfilled where the number of workers in a class is more than the necessary minimum, and to re-employ discharged men where this number falls below it by natural wastage, and this is in fact what has been done.

Order in which Discharges should take place.

291. The Railway Board's classification of the order in which discharges should take place was as follows :—

(*a*) Those who are inefficient,

(*b*) Those who are least efficient,

(*c*) Those who have short service.

(Line staff—temporary men of less than 12 months' service before permanent and other temporary employees. Shop staff—temporary men before permanent employees.)

(*d*) Those nearing the age of superannuation.

292. It was also decided that temporary men with a year's service should be treated on the same footing as permanent men of equal length of service.

293. It will be well to touch here on some of the difficulties which have arisen out of this order.

294. **Efficiency.**—Inefficiency is a constant difficulty for all those directing a labour force, whether the labour is skilled or unskilled ; but its limits are hard to define, a difficulty due to the plurality of causes, which include all kinds of defects of qualities in the individual workers. In the absence of systematically kept confidential reports, which can hardly be expected in the cases of Administrations employing a very large number of low paid men, the decision, whether a worker is inefficient or not, must in the end rest on the opinion of his immediate superior, who is liable to be influenced by other personal considerations impossible to demonstrate or even to state clearly, but perhaps irrelevant to the quality of his work.

295. **Least Efficiency.**—The further test of "least efficient" devised for the purposes of this railway retrenchment presumably means "not as efficient as others doing similar work," or "below the average." The expression is not very happy, and the test obviously a still more delicate one, depending on a finer discrimination and yet subject to the same dangers of improper motives or prejudice for judgment.

296. Strictly speaking there should be no inefficient men employed beyond the probationary stage, and a witness for one of the Administrations explained that this was so in the case of his Administration, but probably there is always a proportion of inefficient men in every large body of workers.

297. Had the administrative system included the device of efficiency bars which workmen should not be allowed to cross, except on the certificate of the head of their office or shop, there would have been no difficulty, for the men to be discharged would have been those who had not been allowed to cross those bars.

298. The nearest approach to this we have come across is practised in the shops at Ajmer, where fixed annual increments are given to those workmen who have done well, and these increments are halved or refused altogether in the cases of bad work or irregular attendance ; and the records supplied to us of loss of increments were useful in the cases of workmen from those shops, who complained that they were the victims of favouritism or of refusals to bribe their immediate superiors.

299. On other Administrations, however, the increments seem to be automatic, and so do not operate as efficiency bars.

300. Speaking generally, however, we think that these two tests applied without warning for the first time in block retrenchment probably afforded room for favouritism, which in the circumstances is almost impossible of detection. In fact the returns show that though comparatively few men were discharged as inefficient a large number had to go on account of "least efficiency", and the tendency being for a workshop or office to get rid of the men it did not value highly, while endeavouring to retain those it desired to keep, there was clearly ample room for what in the circumstances would be considered a good opportunity for a general clean up. We noticed, in fact, that at Moghalpura the test was really in force before the block retrenchment, and in certain categories, men who were not wanted were what was called "segregated," that is, put to the work of breaking up old waggons and machinery, where little damage could be done to material.

301. The ideal of every employer or Works Manager must evidently be to retain the best while ridding himself of the worst, but the difficulty is that all who are discharged on such grounds feel that an injustice has been done them, while their discontent cannot be given the simple reply to which no answer is open, that they had to go because of their short service, and correspondingly small claim to retention.

302. The third class of men to be retrenched is based on short service and temporary employment. As to this second class there are also some difficulties. Temporary service is of 2 kinds—employment which is to continue till the completion of a particular work, and that in an existing vacancy to

replace a permanent hand who is absent. Employment as a temporary hand in a post sanctioned for a fixed period only and ceasing when the sanction lapses, is really of the first kind, though most of the cases in this class are on the construction side of the Engineering department. *Prima facie* a temporary man should go when the reason for his employment ceases to operate, and should have no grievances, since as a rule, we are told, he receives a higher salary than the permanent man doing similar work who enjoys other advantages, such as the right to earn gratuity, which essentially is deferred pay, as are pensions. But in many cases men have been retained as temporary hands, either doing the same work or on successive undertakings, for many years, and their abrupt discharge is felt as an unmerited injustice. It seems to us that the employment of temporary man should be avoided as far as possible, at any rate in the skilled ranks where this can be done, though probably it is unavoidable where a large labour force is required for a special purpose. In the circumstances of this block retrenchment the discharge of the temporary men was inevitable, and the qualification mentioned by the Railway Board can have had little effect.

303. **Short Service.**—The rule that men who have short service should be discharged in preference to their seniors is probably the best that can be devised under the circumstances. Ordinarily, it is easy to apply and to explain to the discharged, and probably causes less heartburning than any other. Such difficulties as there are seem to be the following :

304. A railway administration's staff is employed in divisions or districts or in different sections of a workshop and it may happen, and has, that comparatively senior men in one division, district or class, have to be discharged, while their juniors in another are retained as being required. Again, a division or a district may have a surplus in a class which it is not necessary to retrench in another division or district, and there are complications due to the immobility of certain classes of employees, who will not work far from their homes or who, if they do, have frequently to return to them. We have had cases where workers of one class have been discharged or demoted in one district, while their fellows in the next have been unaffected, some of the latter class being junior to those in the first. In the workshops, the complaint has been that men have been discharged when they could easily have replaced juniors to them, whose work they had once done, or were at any rate capable of doing.

305. It is difficult to say how some inequality in the former case could have been avoided. The question really turns on the unit which is to regulate the discharges and demotions. Clearly this must not be too large, so as to involve the preparation of a seniority list for the whole Administration, to be followed by a "general post" to secure that the most junior in the railway as a whole should be discharged, but if it is too small, it works obvious inequalities, as in the cases of the demoted Dacca guards, to which we have drawn the attention of the Administration concerned. On the North Western Railway the unit was the division and the senior subordinate's charge, and this Administration also has a divisional labour exchange which helps to equalise matters. On the railways, the unit has been the district. In the shops the unit has ordinarily been the sub-shop, regard being paid to trade categories. We think a cardinal rule should be that workers liable to transfer all over the line, should have the line as their unit, and others the locality within which they are ordinarily employed.

306. In the cases of the workshops, the problem is still further complicated by the variety of trades represented, and it is impossible to suggest any clear cut rule. In the end the question of whether a man to be discharged should not be employed in a lesser capacity in the same line, where a junior in that line exists, or should be discharged, must depend on the judgment of the Works Manager, but to avoid any criticism that it is based on prejudice we think some further attempt should be made to define interchangeable categories.

307. **Superannuation.**—The last class suggested for retrenchment by the Railway Board was that of those " nearing the age of superannuation " though what this should be taken to be was not further defined. There has consequently been a good deal of inconsistency in applying the rule, and on one Administration different standards were adopted in different districts. Probably, the Railway Board's reason for defining this class was, that men between 50 and 55 had had their due share of railway employment, and could afford to make room for their juniors, being sufficiently provided for by their Provident Fund and Gratuity. But in fact, the senior man discharged on this ground is probably a useful worker, and considers he has some claim on the Administration for long and faithful service, a claim not lightly to be disregarded. In fact, most of the Administrations made very sparing use of the power to discharge this class, while in many cases extensions were granted to those who otherwise would have been superannuated under the ordinary rules. We think that in the circumstances of railway service the line actually taken by the Administrations was inevitable, for even from the financial point of view, in a time of stringency, it is not easy to make heavy payments for Provident Fund and Gratuity, and it is really more economical, for the time being, to retain in service those who can claim them and do not want to go.

308. In any case we think that should it even be deemed necessary to retain superannuation as a ground of discharge it should be clearly defined by length of service or age or both, so as to eliminate the possibility of variations in the application of the rule.

309. **Short time.**—The expedient of working short time is well known in industry, and consists essentially in a reduction of the days or hours of work—while maintaining the time-rate of wages. It is connected with the idea of keeping up labour union rates of pay, but is really the logical result of a decrease of work needing less time for its performance, and compensated in this way by employing more men on it than is normally necessary, but for a shorter period. The moral idea underlying the practice is to distribute what work there is equally among the employees required for the usual output. Short time is essentially a workshop device, and has been put in force in nearly all the workshops of the Administrations whose retrenchments we have examined. The witnesses on the point admit that it is a useful device for tiding over a temporary shortage of work, but are unanimously of opinion that it can only be an awkward expedient, and that it is essentially uneconomical and bad for the workers' morale. Another drawback is that, in this form, it can only be applied to daily or hourly rated men, and it not being feasible for the monthly rated supervising staff, it uneconomically affects this part of the labour force by increasing its proportionate cost. Put simply, the case is that with the same number of men to look after, even if they are working shorter hours, the supervising staff cannot be reduced, while that would be feasible were the staff reduced and the men

left working full time. We agree with the witnesses in thinking that working short time can only be a temporary expedient, and that when there are no signs of a probable early increase of the volume of work to be done, the alternative of a reduction of staff by discharge is preferable.

310. In the course of the discussion another form of short time, in the shape of what is known as compulsory leave, has come to light. On the Bengal Nagpur Railway the extreme form of this arrangement has been resorted to, that is, compulsory leave for an indeterminate period. The distinction between this form of leave and discharge is really technical, the reason given being that it has the advantage of not entailing a break of service in case of re-employment; but the "break of service" rule is purely technical, and the difficulty could be met by ruling that discharge and re-employment from a waiting list also carried this advantage with it. Compulsory leave in rotation has also been tried on the East Indian and Eastern Bengal Railways, with the sanction of the Railway Board, though it was not a form of retrenchment contemplated in the first instance by that authority. If it takes the form of indefinite leave without pay, it is essentially indistinguishable from discharge and re-employment in turn, except for the advantage already mentioned, and if on half pay, cannot afford room for material economies. It is said to have the disadvantages of causing some dislocation of work, and difficulties about transfers and removals, in those cases in which workers sent on such leave are housed by the Administration: but no real disadvantage has been mentioned to us, and where it has been tried, it seems to have been accepted without protest by the individuals concerned.

311. An analogous practice in the case of workshop staff which is daily rated only, is to extend the periodical holidays, as in the case of the "poojah" holidays of Bengal. This practice is said to have been cheerfully accepted by the workers concerned, and has enabled some saving to be effected. Probably, however, this can only be done in the cases of shops in Bengal.

Improper Conditions of Work.

312. The first term of reference given to us is, whether the retrenchment has imposed improper conditions of work on the staff still employed?

313. **Workshops.**—In our opinion, the answer is that, speaking generally, it has not done so, though this may possibly have happened, in a few cases here and there.

314. It is evident that it could not have been the case in 2 large sections of workers, the shop staff, and that employed in engineering. In the former case, the retrenchment has been due to a decrease in the amount of work to be done, leading to a surplus of labour, and since even after the discharges and demotions which have taken place, it is still necessary to work short time, to distribute what work is left economically, retrenchment has necessarily not imposed more burdensome conditions on the workshop staff still employed. There is no question of longer hours in workshops, for the labour there is governed by the provisions of the Factories Act.

315. A good many of the discharges in the Engineering branches have been caused by the completion or stoppage of work on schemes of construction, and here also there have been no improper conditions imposed on the remaining

staff. But some of the retrenchment in these branches has taken the form of increasing the beats or of diminishing the strength, or of both measures together, of permanent way gangs. The system is for each gang, under a gangman to care for the permanent way for a fixed distance, 2 to 3 miles. The strength of the gang is conditioned by the number of men required to handle sleepers and rails : and the distance to be cared for depends on the character of the country traversed by the permanent way. Though retrenchment has been effected in one or other of these ways and sometimes in both, on nearly all the railways, we have had no evidence that the work now imposed on the permanent way gangs is improper, or that any hardships have been so caused. The members of permanent way gangs are essentially local and casual labourers, with a high percentage of absenteeism, and the returns of their discharges are largely responsible for the large numbers of discharges disclosed by the statistics supplied to the Labour Commission, as well as those given to us.

316. **Rosters.**—Most of the evidence led by the Federation on this point related to workers employed in posts where a 24 hours service, or one approaching that number of hours, is necessary, entailing a system of reliefs. The Federation's complaint has been that if the Washington and Geneva Conventions had been introduced in the spirit as well as in the letter, it would have been necessary to employ a far larger staff in such posts, and even to recruit men for them, but what had been actually done was to frame rosters which, though they complied with the conditions laid down in the Conventions, in fact entailed hours of rest and breaks of works so inconvenient as to amount to improper conditions. The main grievance really was that the weekly 24 hours rest should be not any 24 consecutive hours beginning and ending at arbitrary points, but a full calendar day. The former however and not the latter, is what is laid down in the Conventions. Whether the Conventions should be enforced at once on all railways in the cases in which they apply is a question of policy with which we are not concerned.

317. We have however examined a large number of rosters and several witnesses on the point, and one of the officers concerned, who gave evidence to the effect that certain rosters were in force in his department, asked to be re-called and said that on further inquiry he had ascertained that the rosters directed to be put in force had in fact been ignored by the men concerned, who had made their own arrangements for carrying on the work in the former manner, though supposed to be doing it on the new system.

318. We think there is no doubt that some of the rosters must cause discomfort to the men concerned, and seriously interfere with their habits of life, not because they impose unreasonably long hours, but on account of the necessity for a weekly or more frequent change over, which entails inconvenient periods of duty. It is difficult to suggest a remedy for a state of things which has always existed in trades involving some men being on duty day and night, as on ship board. It is obvious that were the Federation's demand complied with the result would at some point involve either too many men for the work to be done, or unreasonably short hours and correspondingly unnecessary long rests, either of which would be wasteful. We have, however, not been given any case in which we could say that the conditions so imposed were improper, and we believe that with greater experience of the new rosters and further adjustments where necessary, such difficulties and inconveniences as now exist will be overcome in due course.

319. The system is new and has only been introduced tentatively in some administrations, while even where it is in force there is no real experience so far of its full effects.

320. Of the specific cases coming under this heading our attention was specially drawn to the case of a small signal cabin at Parel which is worked in connection with two other cabins. Formerly a signalman was always on duty at this cabin, but owing to retrenchment none is now kept there between 4 P.M. to 8 A.M., and should it be necessary to use it in that interval a signalman has to go across from one of the main cabins to do the necessary work. The retrenchment is justified by the Administration on the ground that when the change was made from steam to electric traction there was a great decrease of work in those hours at this point. The new arrangement however necessitates that the signalman who has to serve the small cabin has to cross the line from 12 to 25 times in a night as variously estimated. We think that owing to this last necessity the retrenchment is not justified and provision should be made here and at any other point where similar arrangements exist for a man to be on duty in the small cabin whenever there is work to be done there.

321. Another point in this connection is made as to the service of indicators for suburban trains at Mahim where the Great Indian Peninsula and the Bombay, Baroda and Central India lines are connected. These show the timings of all trains of which there are 360 in a day and these have to be altered periodically and as there are two indicators each on a separate platform which have to be attended to by the porters it is alleged that these have to cross the line continuously in order to perform the service, for it is said to cross the bridge would take too long.

322. The complaint does not seem very serious but might be looked into by the Administration concerned.

323. **Terms of Discharge.**—The next term of reference is :—

Whether the terms allowed to the staff that has been discharged are inadequate or unreasonable ? Except in the case of the Madras and Southern Mahratta Railway where the terms allowed to the staff discharged were liberal and so led to a fair number of resignations, the conditions were those enjoined by the Railway Board.

324. This is really a question of imperial finance and of what the Government of India and the Administrations could afford. Events have since shown that still further retrenchment was necessary, from this point of view, in the shape of a 10 per cent. cut in wages and salaries and the terms allowed were those within the conditions of the workers' employment. One of the conditions of railway management mentioned in the terms of reference is that it should be commercial and this being so it seems that it would exclude liberality and require no concessions which an auditor would not pass.

325. In view of the general unemployment and consequent difficulty of securing other work, we think that the terms allowed were not liberal. The administrations' plea of financial stringency, the exact extent and validity of which we cannot judge prohibits us from saying anything more than that we wish it had been possible for all the Administrations to imitate the liberal policy of the Madras and Southern Mahratta Railway.

326. There have however been a few cases in which we think some hardship must have been caused by the restriction of the period of leave admissible on discharge. Where a man was of long service, or nearing the age of superannuation, he was in some cases entitled to much longer periods of leave, and some of his leave on full or half pay thus came to be forfeited, owing to the limit of 8 months at the most. We understand however that such cases are being investigated and redressed by the Administrations concerned.

327. All railway servants are in a sense in temporary employ. Those on contract are subject to notice according to the terms of their employment, and the vast majority even though permanent, are technically liable to have their services dispensed with on a month's notice.

328. On this basis one month's salary may be said to be sufficient compensation for discharge except in cases where more than that amount of leave is due and should have been given under the rules.

The Federation's summing up of their case.

329. With much that has been stated in the Federation case,* when summed up at the end of the hearings, we clearly have nothing to do. It was presented to us in the form of a printed leaflet, and was argued from by Mr. Jamnadas Mehta.

330. The Federation's first point is that they and the Railway Board are the real parties to the reference. This argument we have dealt with in an earlier paragraph, and though in a sense it is a real contention, it is a position not contemplated by the Trade Disputes Act, and therefore one not within our jurisdiction to decide.

331. With the history of the dispute, except in the limited sense of explaining the origin of our proceedings, we similarly have no concern : and so with questions of policy, which have been expressly excluded from our cognizance, as has that of the necessity for the retrenchments generally,—the figures and the arguments in this connection we need not therefore discuss.

332. After arguments on these points is placed one to support the view that of late years recruitment has been continuous and excessive, as shown by the totals given of the men employed which rose from 727,093 in 1923-24 to 819,058 in 1929-30.

333. The period was admittedly one of expansion and of reconditioning after a series of lean years during the war, and the intervening ones following on it, but in any case, this set of figures alone, uncorrelated to the corresponding ones of increase in mileage and traffic, is insufficient to base a conclusion on.

333(*a*). The Federation's contention is that excessive recruitment was due to corruption among the foremen, chargemen and other officers, and to the undue optimism of the Administrations. The first is an unfounded charge, for there is no evidence whatever to support it. Whether the second is true or not, we are not able to say, for we are not in possession of the facts on which the recruitment was founded, but if it was so, the Railway Administrations are not the only bodies who, as events have shown, were unduly optimistic,

*Not published.

and the remedies now proposed, being to spread the surplus over several years, to rely largely on wastage and severely to restrict the powers of appointment of subordinate officers, while making all possible other economies, were clearly insufficient in the crisis, if the Federation's calculation that there is a surplus of 100,000 men is correct. In fact, recruitment has been stopped, the economies indicated have been made, and reliance is being placed on normal wastage so far as it will go, while the discharge of staff has been as sparingly resorted to as possible.

334. The only fact mentioned in this connection is the importation of locomotives ready to be placed on the rails, instead of in parts which had to be assembled. This was brought out in the evidence given for the Madras and Southern Mahratta Railway, and we were told that it is doubtful if it would be a saving, while the work of assembling them would require few men and be only a matter of days. In fact, they have to be assembled for tests in any case in the factory, and there are now conveniences which did not formerly exist, for importing them already assembled.

335. The Federation next criticises the Board's orders and the system laid down for discharges, and characterises it as chaotic and as having led to conflicting decisions.

336. Some of these charges are justified in some instances in the cases of some Administrations, but they do not seem to us to be true of the retrenchment as a whole. With the criticism as to the classification of inefficients and least efficients we have dealt elsewhere. The definitions have no doubt been used to weed out men not wanted in their shop or department, but in view of the fact that the officers concerned had no definite guidance from above and had to effect the retrenchment with the assistance of subordinates, we are not prepared to say that they were directly responsible for such errors as have occurred.

337. The charge of having disobeyed the Railway Board's instructions is based on the treatment of temporary men : the Board's orders having been that, except in the shops, those having more than 1 year's service should be treated as if they were permanent. In fact, all Railways have discharged the junior men, and most of the temporary men were inevitably included among these, and the exceptions are very few.

338. The next general complaint is that appeals from an order of discharge on reduction were not allowed. This has been so generally, but it is really a matter of policy, and probably it was thought that to allow an appeal as a matter of course would have invited a flood of them, and raised hopes which, in a very large proportion of cases, must have been falsified. We are however discussing this point in its proper place.

339. The Federation's case is next concerned with the terms of reference. As to the first, it has been urged that the retrenchment has caused hardship in 6 different directions. Two of these, Nos. 3 and 5, are inevitable in all retrenchments, two, Nos. 4 and 6, are really the same stated from two fresh points of view. There remain the allegations that the hours and intensity of work have been increased, and that leave due has been made more difficult to obtain. We have discussed the former generally. As to leave, the system

varies in different Administrations and departments. In some cases there is a regular relieving staff, and in others the unit is self-contained, and includes enough men to allow of a proportion being on leave at one time, though there is no leave reserve defined as such. The Federation's witnesses on the point were unfortunately chosen, for they were nearly all men who had recently enjoyed more than their fair share of leave, and as to others, much of what they said was inaccurate and has since been shown to have been so. There is, in fact, often a leave difficulty in India, especially among the subordinate and low paid staff, for the demand for it is seasonal, owing to the marriage season and the local festivals or "melas," which the men all want to attend at about the same time, and the evidence before us has been to this effect. It is, that this difficulty has always existed, and that it is being gradually overcome by better arrangements, and that it has not been at all accentuated by the retrenchment.

340. The cases of the Travelling Ticket Examiners on the Eastern Bengal, East Indian and North Western Railways have been cited as ones of hardship, due to demotion, and the course of events which led to the loss of some of their emoluments has been given in the statement of the case. Like other running staff they were paid a basic wage and allowed mileage, which when on leave was reckoned as 75 per cent. of their basic wage. The system has, however, been reconsidered, they are no longer classed as running staff, and are now allowed a daily allowance when away from their headquarters, so that the opportunity of earning large amounts of mileage no longer exists. It appears that the former system had led to abuses, and the argument that its abolition has caused a loss of revenue is answered by the Administrations, who say that owing to these abuses the alleged profit in discovering cases of travellers without tickets was not real, as these were wrongly allowed to pass the barriers ticketless, so that they might be intercepted later, to show that the Travelling Ticket Examiners were justifying their jobs.

341. The question is complicated, and we are unable to decide it on its merits on the evidence before us, but the change seems to have been an administrative one, rather than a measure of economy, and one for the Agents and the Railway Board to decide. The complaint against the demotions is that they should not have taken place in cases in which the nature of the work is not altered, or so as to involve a dislocation of the employee's standard of life, but reductions of pay, perhaps, contravening both these axioms in some cases, have been made elsewhere and all over India, and whether the axioms set up are justified or not, is a matter of opinion, while at least it can be said that the demoted have suffered less than the discharged.

342. The alleged illiberal working of labour legislation has been referred to in connection with the rosters, and the complaint as to security of service is also one which might be made in other Government Departments, the answer being the urgent need of the State.

343. The complaints coming under the second term of reference are with respect to the terms allowed to the staff retrenched and refer mainly to the fact that they were given the legal minimum which was admissible to them, while the leave due was curtailed in some cases. We think that in the cases of senior men some hardship has been caused in this way, and have discussed the point under its appropriate head.

344. The next complaint, that of the discharge of men having 10 years service, or more, without the formalities enjoined by the Railway Board in its circular of the 10th October 1930, to which the Agents' attention was drawn on the 14th May 1931, is justified on the facts. The Board's orders were neglected on all the Administrations we have seen, and for the same reason. It was held that they did not apply to the case of block retrenchments, but were only meant for those of men having this length of service who were otherwise discharged. We think that the Board's intention was that the orders should apply to these cases also, and it is possible, that if that intention had been given effect to, fewer men having this length of service would have been discharged.

345. Turning to the third term of reference, the Federation's argument was that the total saving arrived at was 5½ crores of rupees, which accidently amounted to a 10 per cent. cut in the demands, and that by juggling with the depreciation allowance this would have been cut down to 4½ crores: and might so have saved the discharge of 8,000 men: but the argument neglects the cases of men being surplus for want of work to be done owing to the decrease in traffic, and assumes that there is a vested interest in railway service, and no necessity for commercial management.

346. The evidence is that recruitment, except where necessary for continuing certain classes of work, has been stopped. As to wastage, to which the Federation has devoted its next paragraph, we have dealt with elsewhere in this report and shown that in our opinion the argument from death rates relied on is invalid. Short time, leave by rotation and transfers have also been discussed independently in the same connection.

347. The fourth term of reference raises the issues of favouritism and victimization, which have been classified under 4 heads in the Federation's argument. As to the inconvenience of requiring a percentage of each community to be maintained in the same service, even in the face of efficiency and seniority, we agree with the Federation in theory, but practically, it is an ideal not possible to attain in the conditions now prevalent in India, and we can add, little that is useful to this consideration. On the present balance of communities in service and their rival claims, it is a consideration which must be entertained and cannot be avoided.

348. The complaint that the assurances of re-employment given have been broken does not seem to us to be justified on the evidence adduced. Some outsiders have been engaged in preference to discharged men on the ground of special qualifications, but the cases are few. It is clear that re-engagement must be a long process, for the rate of wastage relied on by the Federation does not appear to us to be correct; the real rate, though not ascertainable being far below that, if a figure applying to all the discharged men is to be adopted. In fact, it is slow in some cases and rapid in others, and cannot be foretold in any particular case, with any approach to accuracy. There are many other factors,—some discharged men may have obtained other work, and many probably can no longer be traced, after a few months have elapsed.

349. The remarks as to the Bengal and North-Western and Rohilkhand and Kumaon Railways are really irrelevant, as is the plea for a higher standard of living, and as are the remarks about re-organization.

350. The only other point in the representation needing to be noticed is the request for an assurance against victimization. A request to this effect was made at one of the earlier sittings, but the Court was not empowered to give any such assurance, which moreover it considered quite unnecessary. It is impossible to cope with imaginary fears, but we were assured by the Administrations that there would be no victimization.

351. One of the Federation's officials, who was with us for most of the time, is a railway employee from the Bengal Nagpur Railway; all the Administrations afforded all possible facilities in the matter of passes to the Federation's representatives and to their own employees who were summoned to appear before us. The 7 cases referred to on page 46 of the Federation's printed case have not been made out. The transfers were of gatemen and the 2 men on the Bombay, Baroda and Central India Railway were, we are sure, not victimized for having given evidence before us. In this connection, we may say that we have not investigated the cases of alleged corruption that were put forward. Most of the allegations so made, speaking generally, they were very few, were transparently false and due to resentment at having been discharged, and investigation would have unreasonably delayed our proceedings. For a similar reason, we were not able to allow evidence in rebuttal of these charges, though had there been a really serious one made which seemed to us to require investigation, we would have undertaken it.

CHAPTER IV.

Conclusions and Recommendations.

352. The most important conclusion that we have drawn from our investigation is that where any extensive block retrenchment is to be carried out involving the discharge of hundreds or thousands of men, it is not practical to do it on a complicated classification of men to be discharged, involving as many as even 4 kinds of disability or disqualification for retention in the service.

353. Of the disqualifications laid down three are clearly unsuited for such an occasion. Theoretically with an efficient system of management there should be no inefficient men in the service, and if as is unavoidable some are engaged, or become so after a certain time, they should be subject to a periodical combing out carried out on the basis of a departmental inquiry, and not be searched for when a need for economy and discharges arises, as happened in the course of this retrenchment.

354. The "least efficient" class seems to us to have been an equally unhappy definition. It appears too delicate a test to apply in such circumstances, though probably a useful one when there are only a few discharges to be made and it is a question of keeping on the better men. It is really a question of degree as between these men and the inefficients, and if it is thought necessary could be dealt with by placing efficiency bars at certain stages of every man's career, and not promoting those who cannot be certified as fully efficient.

355. We have in another paragraph discussed the class of " those nearing superannuation ". The only solid ground for discharging such workers is the one on which the superannuation rule itself is founded, namely, that owing to age they have deteriorated, or are soon likely to deteriorate, in ability. We think that the general rule laid down as to superannuation should be followed, and if any exceptions are necessary, they should be dealt with as cases of inefficiency on those grounds.

356. The remaining ground, that of short service, seems to us to be the only one suitable for a block retrenchment. It is simple to apply and avoids, as far as this can be, feelings of resentment and unfairness in the victims of circumstance, and it is intelligible to all of the many grades of workers employed on a railway.

357. It also seems to us, when applied in conjunction with demotion, to be capable of meeting all possible requirements of a block retrenchment, for where there are grades and a surplus exists in the higher ones, it can be equally well applied by reducing the number of appointments in the upper grades and by laddering down, displacing the necessary number in the lowest one by discharges, and the process is capable of adjustment to any required percentage of reduction in most cases.

358. It has also the administrative advantage of great ease of application and enables explicit instructions to be issued, thus avoiding all varieties of interpretation and is a far simpler expedient than the one acthally adopted in which the Railway Board's orders were generally passed on by the Agents to the administrative officers concerned, with no further elaboration and being difficult of application though superficially simple led to the results we have discussed, and perhaps to some unjust discharges.

359. The only difficulty apparent to us in this simple criterion for discharge in block retrenchments, which we advise, is the unit to be taken as that within which the test is to be applied. The unit must obviously vary with the type of organization to be dealt with. With the higher grades who are liable to serve anywhere on the line—the whole line should obviously be the unit.

360. The difficulty occurs in the lower grades. Generally with railways organized on the divisional basis we suppose that the division is the most convenient to take as we understand the Divisional Superintendent deals with all questions of personnel in his charge ; and so with Districts in the administrations which still adhere to the older system of control.

361. A workshop retrenchment is more complicated because the different trades are represented in varying proportions and there may always be a question whether a particular worker in a sub-class included in a larger one can or cannot do the work required in another sub-class of the same trade.

362. It is very difficult to suggest any general rule, but we think all these minor obstacles could be overcome to a very large extent, if the process of retrenchment were more systematised than it has been this time.

363. We think that there should, in the first place, be some sort of Committee formed in each Administration affected to prepare the orders which

are to be issued to the administrative officers who are to carry out the retrenchment, so as to ensure uniformity in all the departments or divisions of the Administration concerned, and that such a Committee should hear the representatives of the Unions before framing final orders.

364. The retrenchment should then be carried out in accordance with the general orders which the Committee has framed, and an appeal by the individuals affected should be allowed to the Committee, which might if necessary sit at several places. The complaints should be heard, much as we have heard the ones made to us, the complainant worker being first allowed to state his case, and the officer at whose orders the discharge or demotion was carried out being then required to give his reasons.

365. The Committee would then decide whether the case fell within its orders or not, and make a suitable decision, which should be final. We suggest allowing this appeal because its absence, in this country, is felt as a hardship.

366. Had some such procedure been followed in the case of the retrenchment of 1931, the issues submitted to us would have been simple, since the exact grounds on which each discharge or demotion had been made would have been known, and we could have dispensed with all hearings of individual cases, and have heard the parties only so far as they were at variance on general principles, and their applications to the cases dealt with.

367. As things were, though the data of the retrenchment were supplied to us in the original statement of the case for the Administrations, and the principles to be followed had been laid down by the Railway Board, it was not possible for us to judge whether the results had been those intended by the Board, and in fact our investigations have disclosed a great variety of application and interpretation of the orders, which could not have been deduced from the facts stated to us in the first instance.

368. In fact even apart from variations due to differing interpretations we have found that in some cases the Railway Board's instructions were not followed on different points by the several Administrations concerned : on the ground that some other course was more suitable in their opinion.

369. We would instance the neglect of the Board's orders of the 10th October 1930 as to the procedure to be followed when discharging men of 10 years' service, or over—a neglect which occurred on all the Administrations.

370. Another instance is the failure to consult the Unions concerned except in the cases of the Madras and Southern Mahratta and the North Western Railways.

371. There are several other cases of the same neglect of the Railway Board's orders or advice on nearly all the Administrations concerned, and there seems to be some need for ensuring that the orders which are issued by the Agent are in conformity with those which have been received by him from the Railway Board.

372. In our opinion, should there unfortunately be any occasion for block retrenchment in the future: or for further retrenchment during the present trade depression, we think that the inevitable misery and dissatisfaction which such action causes would to a certain extent be mitigated, at any rate so far as a sense of wrong or injury goes, by enforcing the simple rule we have suggested, and carrying it out so as to overcome the difficulties in its application which we have indicated, by means of a Committee and allowing a right of one appeal to that Committee, should it still be necessary to appoint a Court of Inquiry, its work would be simple, and its decision would have the inestimable merit of not having been delayed—a delay which is sometimes said to amount to a denial of redress.

373. These remarks are intended to apply to the particular inquiry with which we were concerned and indicate what we think would have been the most convenient way of dealing with the facts which we had to investigate, but there are some points in this connection which have a more general application and which we think will need consideration when the Act comes to be reconsidered before its expiry in April 1934.

374. The first of these is in connection with the Chairman under Section 4 (2) which makes the presence of the Chairman necessary at every sitting of the Court. His unavoidable absence therefore brings its proceedings to a stop pending the making of a fresh appointment, should his absence be prolonged. A Court of Inquiry is not on the same footing as a Board of Conciliation. The members of the former are necessarily " an independent Chairman and such other independent persons as the appointing authority thinks fit ". In the case of a Board of Conciliation the personal qualification is only required of the Chairman by Section 6 (2) but the other members need not have it. In the case of the only Board so far appointed under the Act the Chairman was an independent person, but the members were representatives of the parties to the dispute.

375. There seems to be no good reason in the case of a Court of Inquiry for the provision that the Chairman's presence is necessary for a quorum and we think that this requirement might be abrogated.

376. Next in the case of Section 13 (2), though we have not had to deal with any such question since the reference is really to trade secrets, we think that as the sub-section stands it is too wide in allowing a complaint to be made by a Trade Union or individual business affected, and that there should be some preliminary previous sanction necessary as in the case of Section 17 (2) which deals with offences connected with illegal strikes and lock-outs and Section 15 (4), and in many other provisions in the General Acts.

377. Moreover, since the real object of the section is to penalize meddlers and interested parties we think that the members of the Court or Board should be excepted from the section.

378. The next point we would like to draw attention to again is one which we have discussed in our account of the preliminary points raised at the first hearings. The dispute in this case was fundamentally one between the Railway Board and the All-India Railwaymen's Federation, but neither of these parties was technically before us though the case for the Administrations had been

prepared by the Railway Board and one of their officers was on the represent ation of each of the Administrations in turn, while the Federation was in similar case two of its members conducting the proceedings throughout with the help of a representative of a local union in each place.

379. The difficulty is due to the language used in Section 3 of the Act which refers to " an employer and any of his workmen ". " Employer " is defined in Section 2 (*c*) and " workman " in Section 2 (*k*). " Employer " in the case of Railway is defined in rule 3 as the Agent or Manager. These definitions seemed to us to exclude any body constituting a combination of employees or workmen and the Government Resolution appointing the Court was in the terms of the Act.

380. How the difficulty was overcome has been explained in an earlier paragraph, but the position seems to be an unsatisfactory one. In the case of the Railways the body most fitted to represent them is obviously the Railway Board, which co-ordinates the working of the different Administrations, and which in our case passed the orders which were being criticised. Similarly in the case of the All-India Railwaymen's Federation, which has general power over affiliated Unions, it is the body in the best position to represent the workers as a whole.

381. The point though apparently theoretical is not without practical importance, in connection with the giving of notice by the Court or Board. On our view and construction of the Act we felt it incumbent on us to give public notice of our sittings at each of the centres where we held sittings. The provision about notice in the rules is that it shall be notified by the Chairman in such manner as he may deem necessary. The notice was given by advertisement in several English and vernacular newspapers in each case and by the posting of notices at all important stations and workshops and in this last we had the help of the Railway Administrations, which in some cases also published the notices in their weekly orders. That this notice was effective generally is shown by the large number of individual applications which were made to us. The registered unions were also served separately : though this was not legally necessary under the Act.

382. If bodies like the Railway Board or the All-India Railwaymen's Federation could be made direct parties to a dispute, much of the labour involved in the giving of such public notice could be saved, as notice to them would then be sufficient, and the onus would be on them to notify their members.

383. We also think that there should be some provision in the Act enabling the Labour Officer of the Local Government concerned to make all the preliminary arrangements necessary for notices and for bringing the parties together, before the Court actually assembles, for this would save much of its time and expense.

384. But much of our time has been spent in the investigation of individual complaints, and inquiry which was unavoidable as only a certain percentage of workers are members of recognised Unions and this will probably always continue to be so, for some time to come at any rate.

385. The necessity gives rise to avoidable delays and some of the work of the Court of Inquiry becomes nugatory by lapse of time. We think there should be some better machinery for expediting an inquiry. We might have saved some time by deputing a single member to record evidence so that it could have been taken at 3 centres at the same time, but this did not appear to us to be legal and other objections might be made

386. Probably, the best solution would be to provide some machinery to function before the dispute reaches a Court of Inquiry. This could be served by the appointment of special officers to sift out the facts, or at least to record evidence, who would be required to submit findings on them to the Court, which could then hear the parties, either on the questions of principle only: or on both the facts and the principles, as is thought best.

387. There are doubtless many other forms which this machinery could take such as the practice in England. Our feeling is that arrangements devised to this end would save much expense to all concerned, and give much more satisfaction to the parties by expediting the proceedings of the Court.

Findings on the issues referred to the Court of Inquiry.

388. It is not really possible to answer the 5 issues referred to us for findings with a bare affirmative, or negative, and we therefore state the points and our conclusions in the following paragraphs.

389. (1) Whether the retrenchment has imposed improper conditions of work on the staff still employed.

390. There is no evidence that improper conditions have been imposed on the remaining staff in the workshops. The retrenchment in shops was due to a lessening of the amount of work to be done, and was largely a matter of weeding out unwanted hands, and more work could hardly be imposed on the staff still employed in these circumstances. Actually it has been necessary to resort to short time, fully to employ those who remain in the lessened working hours.

391. In the other large group of those discharged, the workers of the engineering gangs, more work has undoubtedly been imposed on the men, where the members of a gang have been reduced and their beats have been enlarged, but we do not consider that the conditions imposed thereby are improper and there are no complaints under this head.

392. Such complaints as we have had under this head have been mainly from the station and running staff. We have mentioned one specific case of the result of reducing signalmen. The remaining complaints have been vague and unconvincing, including one which we were unable to understand, made by a guard on the North Western Railway.

393. (2) Whether the terms allowed to the staff that has been discharge are inadequate or unreasonable.

394. The finding on the second issue is really a question of finance. The best terms were those offered to the men on the Madras and Southern Mahratta Railway, and they secured a large number of voluntary retirements.

395. The same terms would have been suitable in the other Administrations also. But whether the financial conditions would have permitted giving these terms elsewhere or not, we are not in a position to say.

396. The 3rd term of reference is really multiple, and for clearness may be stated as a series, as follows :—

397. This term of reference is—

whether having in view the limitations imposed by the Commercial management of railways, the fullest regard has been paid when discharging the staff to the following alternatives :—

(1) the stoppage of recruiting,

(2) the operation of normal wastage,

(3) working short time,

(4) the retirement of staff taking their provident fund and gratuity, or

(5) the transfer of individuals to other departments or other railways on similar or even reduced rates of pay.

398. The " limitations imposed by the commercial managements of railways " presumably means that as an undertaking they should, at the worst, pay their way, and in normal times yield a reasonable profit on the very large sums invested in them.

399. The corollaries of this axiom are that the railways should not employ more men than are required to do the necessary work : that they should pay adequate but not extravagant wages : and that the management should be as economical as is compatible with efficiency.

400. The first 3 sub-heads of the issue all fall within the first of these corollaries, and the 4th within the second. The fifth is really a question of the proper treatment of men who are not required, by finding other work for them when possible.

401. The evidence before us is, on all the administrations, that recruiting has been stopped, and that this step had in most cases been taken before the staff retrenchments began. The stoppage has not been absolute, for as has been explained, there are some posts which must be kept filled, such as those of specialists, and posts in departments or grades which were already working with a minimum staff and could not further be retrenched, but with these exceptions the stoppage has been general.

402. The operation of normal wastage has been discussed in another paragraph. It is a far more complicated problem than appears at first sight and there are no figures available which can yield a general rate, though they might be worked out for small groups. But this kind of wastage is irregular and is apt to decrease when times are hard and men do not lightly resign their appointments, as they do sometimes when they can be reasonably sure of obtaining another when wanted. We think that all the Administrations

concerned have been alive to the fact of normal wastage, and have allowed for it to the extent that it was calculable, and that no well founded complaint can be made against them on this score.

403. Under the 3rd sub-head of short time we may add that the methods of spreading work which we ruled as coming within it have not all been adopted in the various administrations except compulsory leave without pay which was enforced by the Assam Bengal, Eastern Bengal, Bengal and North Western, Rohilkhand and Kumaon and North Western Railways and leave on half pay in the East Indian Railway.

404. The 4th sub-head is again fundamentally a question of wastage, or perhaps of encouraging it. The only administration in a position to offer special terms was the Madras and Southern Mahratta Railway and the largest number of resignations was so obtained. There have also been stray resignations in other administrations, but they have been few. Forcible superannuation has been sparingly used for reasons we have given elsewhere. Theoretically, all men over 50 might have been retired, but in practice any large recourse to this expedient would probably have caused more hardship and discontent than the discharge of junior men, and might well have led to the dislocation of the work of many departments. We think that very little could have been done under this head, to which our remarks as to the probability of a drop in the rate of wastage in general, in present conditions, also apply.

405. The last sub-issue is similarly conditional. Where all the Railways were retrenching, it would only be in an odd case in which men discharged from one administration could hope to find similar work on another. There were a few cases, but as far as appears in the evidence, there is no inter-railway labour exchange, and in the absence of any such machinery, little was done in this way. Interdepartmental transfers were also few, for here the "category" or "trade" difficulty comes largely in its way. The North Western Railway however, have a kind of labour exchange in their Personnel arrangements, and probably more was done in this Administration in this matter than in any other.

406. (4) Whether there has been victimization or favouritism in discharging establishments; if so, whether this can be avoided and how.

407. The fourth term of reference raises the question of victimization and favouritism. Presumably the former expression is intended to apply to men who have been discharged from improper motives, and the latter to the retention of men who should have been retrenched for similar reasons.

408. Victimization and favouritism as thus defined involve both injustice to the individual worker discharged and improper motive and consequent conscious misapplication of the rule as to discharge. As to whether the improper motive operated in any particular case we cannot make any pronouncement without very elaborate local inquiries giving the officials complained against an opportunity to repel the charge against them. We have elsewhere explained why we have decided not to embark upon any such inquiry. After all the two important purposes to be served are rectification of errors in the present retrenchment, and suggestions for the avoidance of such errors for the future and we can make recommendations under both heads

without undertaking the arduous and unnecessary task of pronouncing upon the character of the motives of those who carried out the retrenchment. We are elsewhere appending a list of those who in our opinion should be restored, as also of those whose cases require in our opinion re-examination. For the future we suggest that in all block retrenchments the heads of "inefficiency" and "least efficiency" which give room alike for victimization and favouritism and charges of them should be omitted and there should be a single obvious clearly defined ground for discharge, the most suitable in our opinion being shortness of service.

409. (5) Whether staff discharged on the ground of retrenchment can or should be given any assurance of re-engagement on recruitment being resumed.

410. In the last issue the answer is that the suggestion made in it has been carried out on all the Administrations, though in some cases those discharged for inefficiency, or least efficiency have not been entered in the waiting lists.

411. We think those retrenched for short service only should be given an assurance of re-employment when recruiting is resumed. In the cases of the inefficients, it would be illogical to do so : and it is doubtful whether those discharged as being least efficient should be given such an assurance, or not : but in the case of the retrenchment of 1931, when the classes were not very clearly demarcated or understood, as a whole, it would probably be just to retain these names also on the waiting lists.

412. We recommend that men should ordinarily be recalled in the order in which they have been discharged.

413. In conclusion we wish to express our recognition of the invariable courtesy shown to us by the Administrations and the willingness and promptitude with which all the information we asked for was everywhere supplied to us even though to do so must often have involved a great deal of labour on the part of the staff concerned. In particular we wish to thank the Agent of the North Western Railway for his kindness in making one of the Administration's office buildings at Lahore available for our Inquiry and for all the arrangements there made for the comfort and convenience of the Court and other persons taking part in the Inquiry. We also would like to place on record our gratitude to the Government of Bombay and the Government of Madras for allowing us to make use of suitable office accommodation at Bombay and Madras.

414. As regards the parties the Administrations were represented by Major Wagstaff, R. E., to whose ready co-operation and help throughout the proceedings we owe much of the information we were able to collect and whose expert services were of great value to the Court. We also have to thank Sir Jamshedji Kanga, Advocate General, Bombay and Mr. Bhagat, Barrister-at-Law, for the great help they have been to the members of the Court, the former in Bombay and the latter at all the other places where we held sittings : and Mr. Jamnadas Mehta, Mr. S. Joshi, Mr. V. V. Giri and Dewan Chamanlal who represented the Federation and some of the affiliated Unions in different places and without whose help we would have found it very difficult indeed to understand the exact nature of the grievances which were made by the workers.

415. Lastly we wish to thank our Secretary, Mr. Oscar H. Brown, Barrister-at-Law, to whose great organizing ability was largely due the smooth working of the many day-to-day sittings, for his unsparing devotion to the work of the Court, and Mr. Abdul Hakim of the Government of India, Secretariat, whose experience of office procedure was invaluable to the Court, as well as the remainder of the Court's office, all of whose members performed their laborious and sometimes difficult duties to our entire satisfaction.

We have the honour to be,

SIR,

Your most obedient servants,

S. J. MURPHY,
Chairman.

S. R. MASOOD,
Member.

T. R. V. SASTRI,
Member.

BOMBAY,
The 27th February, 1932.

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on 10 January, 2019